

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐  
(highlight changes)

| APPLICATION FOR PERMIT TO DRILL  |  |  |                                 | 5. MINERAL LEASE NO:<br>STUO-01197-ST                               | 6. SURFACE:<br>State |
|--|--|--|---------------------------------|---|----------------------|
| 1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>   |  |  |                                 | 7. IF INDIAN, ALLOTTEE OR TRIBE NAME:                               |                      |
| B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/> |  |  |                                 | 8. UNIT or CA AGREEMENT NAME:<br>UNIT #891008900A                   |                      |
| 2. NAME OF OPERATOR:<br>KERR MCGEE OIL & GAS ONSHORE L.P.  |  |  |                                 | 9. WELL NAME and NUMBER:<br>NBU 1022-10C-1                          |                      |
| 3. ADDRESS OF OPERATOR:<br>1368 S 1200 E CITY VERNAL STATE UT ZIP 84078  |  |  | PHONE NUMBER:<br>(435) 781-7024 | 10. FIELD AND POOL, OR WILDCAT:<br>NATURAL BUTTES                   |                      |
| 4. LOCATION OF WELL (FOOTAGES)<br>AT SURFACE: 104'FNL, 2193'FWL<br>AT PROPOSED PRODUCING ZONE:<br>634342X 39.970372<br>4425444Y -109.426917  |  |  |                                 | 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:<br>NENW 10 10S 22E |                      |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:<br>37.85 MILES SOUTHEAST OF OURAY, UTAH  |  |  |                                 | 12. COUNTY:<br>UINTAH   | 13. STATE:<br>UTAH   |
| 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)<br>104'  |  | 16. NUMBER OF ACRES IN LEASE:<br>40.00 |                                 | 17. NUMBER OF ACRES ASSIGNED TO THIS WELL:<br>20.00                 |                      |
| 18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)<br>REFER TO TOPO C   |  | 19. PROPOSED DEPTH:<br>8,830           |                                 | 20. BOND DESCRIPTION:<br>RLB0005237                                 |                      |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):<br>5296'UNGRADED GL  |  | 22. APPROXIMATE DATE WORK WILL START:  |                                 | 23. ESTIMATED DURATION:   |                      |

| 24. PROPOSED CASING AND CEMENTING PROGRAM |   |      |       |               |   |            |          |
|---|---|------|-------|---------------|---|------------|----------|
| SIZE OF HOLE                              | CASING SIZE, GRADE, AND WEIGHT PER FOOT |      |       | SETTING DEPTH | CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT |            |          |
| 12 1/4"                                   | 9 5/8                                   | H-40 | 32.3# | 2,100         | 265 SX CLASS G                                  | 1.18 YIELD | 15.6 PPG |
| 7 7/8"                                    | 4 1/2                                   | I-80 | 11.6# | 8,830         | 1810 SX 50/50 POZ                               | 1.31 YIELD | 14.3 PPG |
|   |   |      |       |               |   |            |          |
|   |   |      |       |               |   |            |          |
|   |   |      |       |               |   |            |          |
|   |   |      |       |               |   |            |          |
|   |   |      |       |               |   |            |          |
|   |   |      |       |               |   |            |          |

| 25. ATTACHMENTS   |  |
|---|--|
| VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES: |  |
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER        | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN                                   |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER    | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE REGULATORY ANALYST  
SIGNATURE [Signature] DATE 8/25/2006

(This space for State use only)

Approved by the  
Utah Division of  
Oil, Gas and Mining

API NUMBER ASSIGNED: 43-047-38542

APPROVAL:

RECEIVED

AUG 31 2006

(11/2001)

Date: 11-02-06  
(See Instructions on Reverse Side)  
By: [Signature]

DIV. OF OIL, GAS & MINING

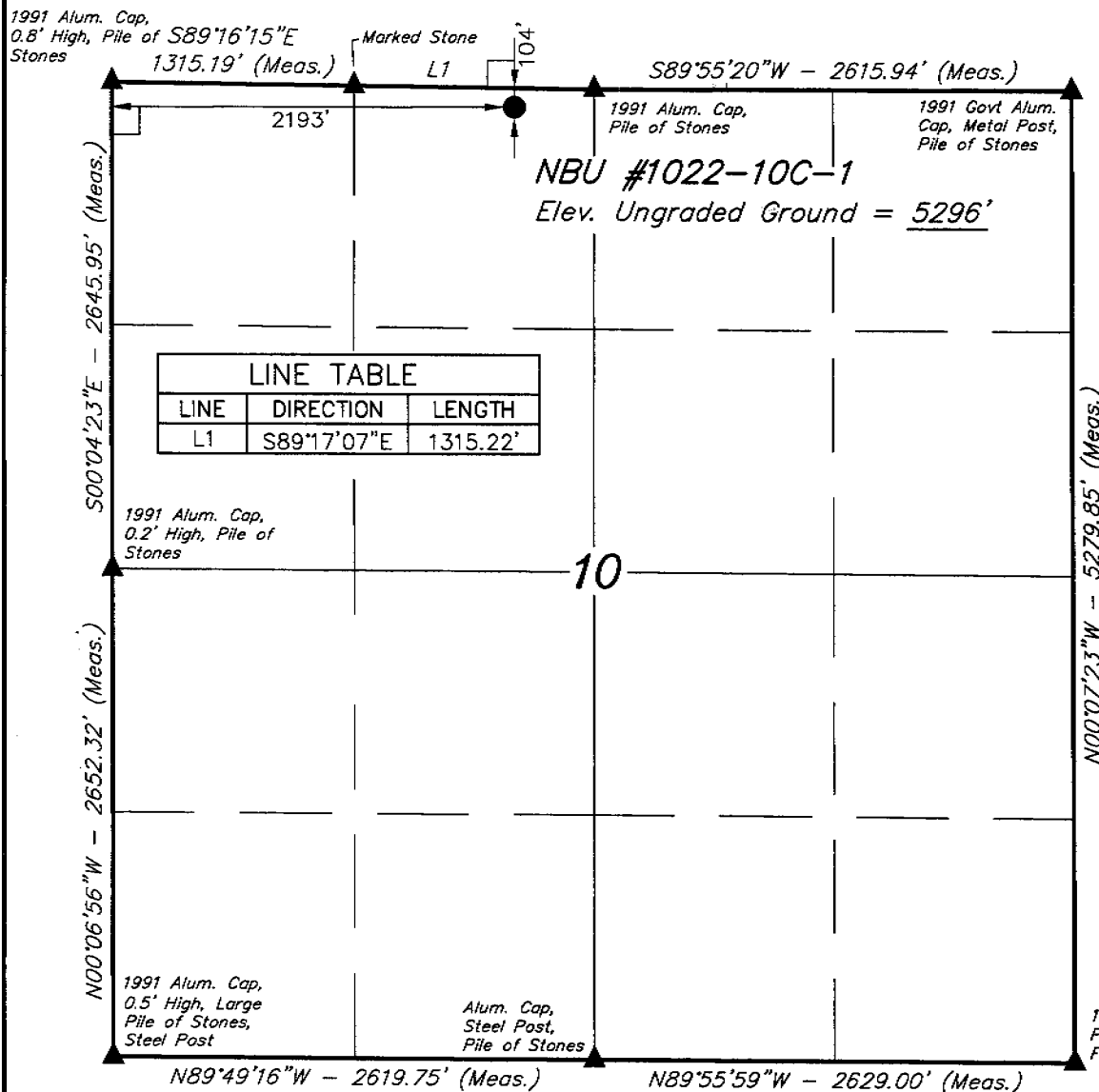
T10S, R22E, S.L.B.&M.

Kerr-McGee Oil & Gas Onshore LP

Well location, NBU #1022-10C-1, located as shown in the NE 1/4 NW 1/4 of Section 10, T10S, R22E, S.L.B.&M. Uintah County, Utah.

### BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.



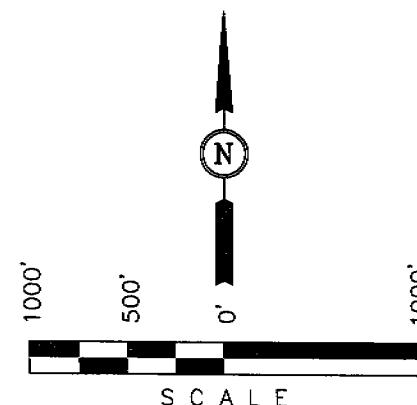
### BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(NAD 83)  
 LATITUDE = 39°58'13.56" (39.970433)  
 LONGITUDE = 109°25'39.17" (109.427547)  
 (NAD 27)  
 LATITUDE = 39°58'13.68" (39.970467)  
 LONGITUDE = 109°25'36.71" (109.426864)

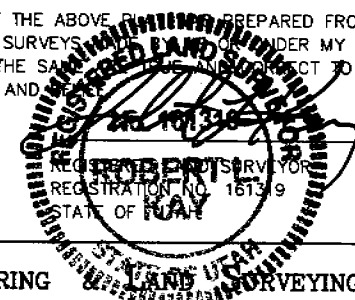
### LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.



### CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS AND UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



**UINTAH ENGINEERING & SURVEYING**  
 85 SOUTH 200 EAST - VERNAL, UTAH 84078  
 (435) 789-1017

|                         |   |                         |
|-------------------------|---|-------------------------|
| SCALE<br>1" = 1000'     | DATE SURVEYED:<br>05-11-06              | DATE DRAWN:<br>05-15-06 |
| PARTY<br>P.J. T.B. C.H. | REFERENCES<br>G.L.O. PLAT               |                         |
| WEATHER<br>WARM         | FILE<br>Kerr-McGee Oil & Gas Onshore LP |                         |

NBU 1022-10C-1  
NENW SEC 10-T10S-R22E  
UINTAH COUNTY, UTAH  
STUO-01197-ST

ONSHORE ORDER NO. 1

***DRILLING PROGRAM***

1. **Estimated Tops of Important Geologic Markers:**

| <u>Formation</u>        | <u>Depth</u> |
|-------------------------|--------------|
| Uinta                   | 0- Surface   |
| Green River             | 1349'        |
| Top of Birds Nest Water | 1594'        |
| Mahogany                | 2204'        |
| Wasatch                 | 4401'        |
| Mesaverde               | 6744'        |
| MVU2                    | 7793'        |
| MVL1                    | 8329'        |
| TD                      | 8830'        |

2. **Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

| <u>Substance</u> | <u>Formation</u>        | <u>Depth</u> |
|------------------|-------------------------|--------------|
| Water            | Green River             | 1349'        |
|                  | Top of Birds Nest Water | 1594'        |
|                  | Mahogany                | 2204'        |
| Gas              | Wasatch                 | 4401'        |
| Gas              | Mesaverde               | 6744'        |
| Gas              | MVU2                    | 7793'        |
| Gas              | MVL1                    | 8329'        |
| Water            | N/A                     |              |
| Other Minerals   | N/A                     |              |

3. **Pressure Control Equipment** (Schematic Attached)

*Please refer to the attached Drilling Program.*

4. **Proposed Casing & Cementing Program:**

*Please refer to the attached Drilling Program.*

5. **Drilling Fluids Program:**

*Please refer to the attached Drilling Program.*

6. **Evaluation Program:**

*Please refer to the attached Drilling Program.*

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 8830' TD, approximately equals 5475 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3532 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

*Drilling is planned to commence immediately upon approval of this application.*

9. **Variances:**

*Please refer to the attached Drilling Program.*

10. **Other Information:**

*Please refer to the attached Drilling Program.*



# **KERR-McGEE OIL & GAS ONSHORE LP** **DRILLING PROGRAM**

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE August 25, 2006  
WELL NAME NBU 1022-10C-1 TD 8,830' MD/TVD  
FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 5,293' GL KB 5,308'  
SURFACE LOCATION NENENW SECTION 10, T10S, R22E 104'FNL, 2193'FWL BHL Straight Hole  
Latitude: 39.970433 Longitude: 109.427547  
OBJECTIVE ZONE(S) Wasatch/Mesaverde  
ADDITIONAL INFO Regulatory Agencies: UDGOM (SURF & MINERALS), BLM, Tri-County Health Dept.

| GEOLOGICAL FORMATION   |                           |        | MECHANICAL |  |                                       |
|--|---------------------------|--------|------------|--|---------------------------------------|
| LOGS   | TOPS                      | DEPTH  | HOLE SIZE  | CASING SIZE                                  | MUD WEIGHT                            |
|  |                           | 40'    |            | 14"  |                                       |
|  |                           |        | 12-1/4"    | 9-5/8", 32.3#, H-40, STC                     | Air mist                              |
| Catch water sample, if possible, from 0 to 4,401'  |                           |        |            |  |                                       |
|  | Green River @             | 1,349' |            |  |                                       |
|  | Top of Birds Nest Water @ | 1594'  |            |  |                                       |
|  | Preset f/ GL @            |        |            |  |                                       |
|  | 2,100'                    | MD     |            |  |                                       |
| Note: 12.25" surface hole will usually be drilled ±400' below the bottom of lost circulation zone. Drilled depth may be ±200' of the estimated set depth depending on the actual depth of the loss zone. |                           |        |            |  |                                       |
|  | Mahogany @                | 2,204' |            |  |                                       |
| Mud logging program TBD  |                           |        |            |  |                                       |
| Open hole logging program f/ TD - surf csg   |                           |        |            |  |                                       |
|  | Wasatch @                 | 4,401' | 7-7/8"     | 4-1/2", 11.6#, I-80 or equivalent LTC casing | Water/Fresh Water Mud 8.3-11.7 ppg    |
|  | Mverde @                  | 6,744' |            |  |                                       |
|  | MVU2 @                    | 7,793' |            |  |                                       |
|  | MVL1 @                    | 8,329' |            |  |                                       |
|  | TD @                      | 8,830' |            |  | Max anticipated Mud required 11.7 ppg |

### CASING PROGRAM

|            | SIZE   | INTERVAL  | WT.   | GR.  | CPLG. | DESIGN FACTORS |          |         |
|------------|--------|-----------|-------|------|-------|----------------|----------|---------|
|            |        |           |       |      |       | BURST          | COLLAPSE | TENSION |
| CONDUCTOR  | 14"    | 0-40'     |       |      |       | 2270           | 1370     | 254000  |
| SURFACE    | 9-5/8" | 0 to 2100 | 32.30 | H-40 | STC   | 0.66*****      | 1.39     | 4.28    |
|            |        |           |       |      |       | 7780           | 6350     | 201000  |
| PRODUCTION | 4-1/2" | 0 to 8830 | 11.60 | I-80 | LTC   | 2.27           | 1.18     | 2.25    |

- 1) Max Anticipated Surf. Press. (MASP) (Surface Casing) = (Pore Pressure at next csg point - (0.22 psi/ft - partial evac gradient x TVD of next csg point))
- 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft - partial evac gradient x TD)
- (Burst Assumptions: TD = 11.7 ppg) .22 psi/ft = gradient for partially evac wellbore
- (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing \* Buoy. Fact. of water)
- MASP 3430 psi

\*\*\*\*\* Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

### CEMENT PROGRAM

|            |                 | FT. OF FILL | DESCRIPTION  | SACKS   | EXCESS | WEIGHT | YIELD |
|------------|-----------------|-------------|--|---------|--------|--------|-------|
| SURFACE    | LEAD            | 500         | Premium cmt + 2% CaCl  | 215     | 60%    | 15.60  | 1.18  |
| Option 1   |                 |             | + .25 pps flocele  |         |        |        |       |
|            | TOP OUT CMT (1) | 200         | 20 gals sodium silicate + Premium cmt  | 50      |        | 15.60  | 1.18  |
|            |                 |             | + 2% CaCl + .25 pps flocele  |         |        |        |       |
|            | TOP OUT CMT (2) | as required | Premium cmt + 2% CaCl  | as req. |        | 15.60  | 1.18  |
| SURFACE    |                 |             | NOTE: If well will circulate water to surface, option 2 will be utilized                   |         |        |        |       |
| Option 2   | LEAD            | 1500        | Prem cmt + 16% Gel + 10 pps gilsonite  | 170     | 35%    | 11.00  | 3.82  |
|            |                 |             | + .25 pps Flocele + 3% salt BWOC   |         |        |        |       |
|            | TAIL            | 500         | Premium cmt + 2% CaCl  | 180     | 35%    | 15.60  | 1.18  |
|            |                 |             | + .25 pps flocele  |         |        |        |       |
|            | TOP OUT CMT     | as required | Premium cmt + 2% CaCl  | as req. |        | 15.60  | 1.18  |
| PRODUCTION | LEAD            | 3,900'      | Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender | 430     | 60%    | 11.00  | 3.38  |
|            | TAIL            | 4,930'      | 50/50 Poz/G + 10% salt + 2% gel + .1% R-3  | 1380    | 60%    | 14.30  | 1.31  |

\*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

\*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

### FLOAT EQUIPMENT & CENTRALIZERS

|            |   |
|------------|---|
| SURFACE    | Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.                   |
|            |   |
| PRODUCTION | Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers. |
|            |   |

### ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

Brad Laney

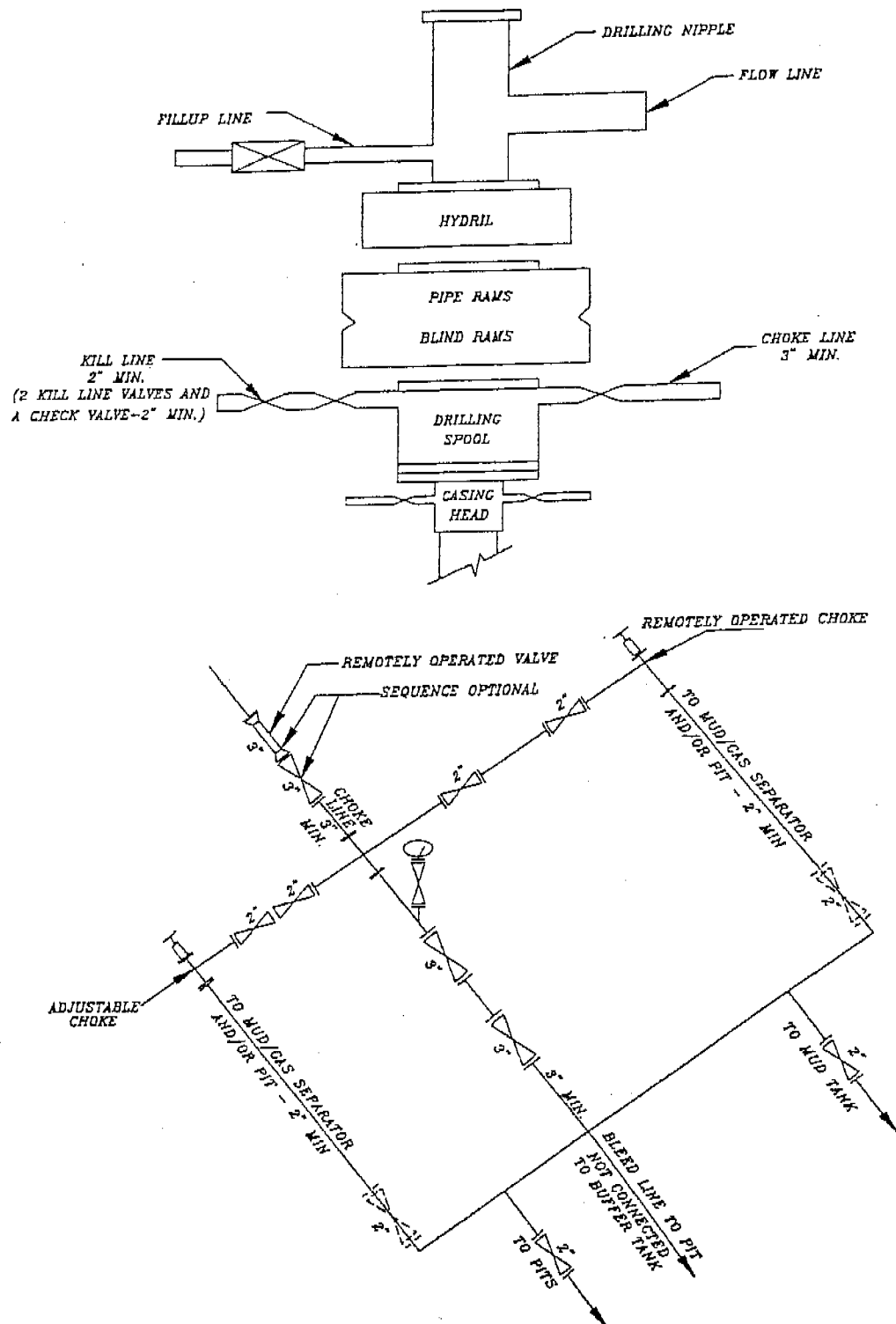
DATE: \_\_\_\_\_

DRILLING SUPERINTENDENT:

Randy Bayne

DATE: \_\_\_\_\_

# 5M BOP STACK and CHOKE MANIFOLD SYSTEM



NBU 1022-10C-1  
NENW SEC 10-T10S-R22E  
Uintah County, UT  
STUO-01197-ST

ONSHORE ORDER NO. 1

***MULTI-POINT SURFACE USE & OPERATIONS PLAN***

1. **Existing Roads:**

Refer to Topo Map A for directions to the location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

Refer to Topo Maps A and B for location of access roads within a 2 mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. **Planned Access Roads:**

Approximately 0.2 +/- miles of new access road is proposed. Refer to Topo Map B for the location of the proposed access road.

The upgraded and new portions of the access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet. Appropriate water control will be installed to control erosion.

***Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities were determined at the on-site.***

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

3. **Location of Existing Wells Within a 1-Mile Radius:**

Please refer to Topo Map C.

4. **Location of Existing & Proposed Facilities:**

*The following guidelines will apply if the well is productive.*

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain



fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Carlsbad Canyon, standard color number 2.5Y 6/2.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Approximately 186' +/- of 4" pipeline is proposed from the location to an tie-in point is proposed. Refer to Topo D Map.

**5. Location and Type of Water Supply:**

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32, T4S, R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

**6. Source of Construction Materials:**

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

**7. Methods of Handling Waste Materials:**

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner and felt will be used, it will be a minimum of 20 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will

be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E.

8. **Ancillary Facilities:**

None are anticipated.

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

The reserve pit will be lined, and when the reserve pit is closed, the pit liner will be buried below plow depth.

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

Location size may change prior to the drilling of the well due to current rig availability. If the proposed location is not large enough to accommodate the drilling rig the location will be re-surveyed and a Form 9 shall be submitted.

**10. Plans for Reclamation of the Surface:**

*Producing Location:*

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

A plastic, nylon reinforced liner will be used, it shall be torn and perforated before backfilling of the reserve pit.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

*Dry Hole/Abandoned Location:*

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment.

Reseeding operations will be performed after completion of other reclamation operations.

11. **Surface Ownership:**

SITLA  
675 East 500 South, Suite 500  
Salt Lake City, UT 84102

12. **Other Information:**

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

A Class III archaeological survey will be submitted when report becomes available.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it within 460' of any non-committed tract lying within the boundaries of the Unit.

13. **Lessee's or Operators's Representative & Certification:**

Sheila Upchego  
Regulatory Analyst  
Kerr-McGee Oil & Gas Onshore LP  
1368 South 1200 East.  
Vernal, UT 84078  
(435) 781-7024

Randy Bayne  
Drilling Manager  
Kerr-McGee Oil & Gas Onshore LP  
1368 South 1200 East  
Vernal, UT 84078  
(435)781-7018

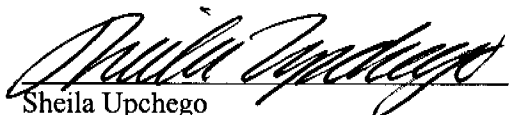
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by State Surety Bond #RLB0005237.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

  
Sheila Upchego

8/25/2006  
Date

**Kerr-McGee Oil & Gas Onshore LP**  
**NBU #1022-10C-1**  
**SECTION 10, T10S, R22E, S.L.B.&M.**

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 8.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 3.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 0.35 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN RIGHT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.2 TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 56.05 MILES.

# Kerr-McGee Oil & Gas Onshore LP

**NBU #1022-10C-1**

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 10, T10S, R22E, S.L.B.&M.

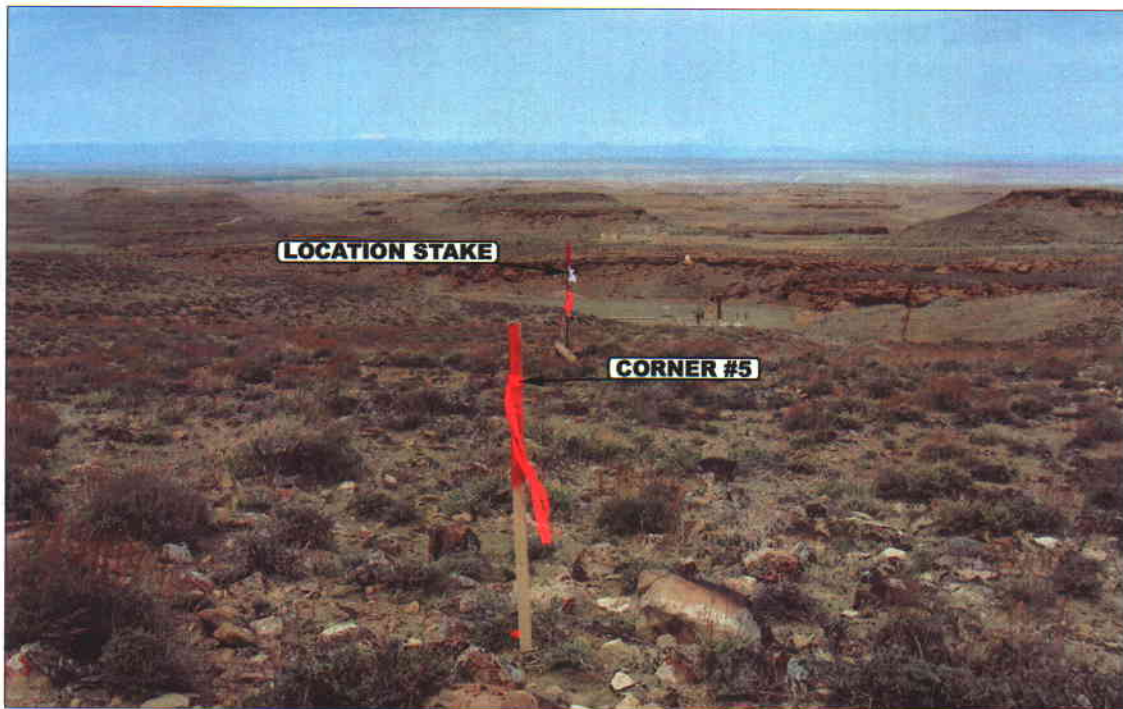


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

**UELS** Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

**LOCATION PHOTOS**

**05 17 06**  
MONTH DAY YEAR

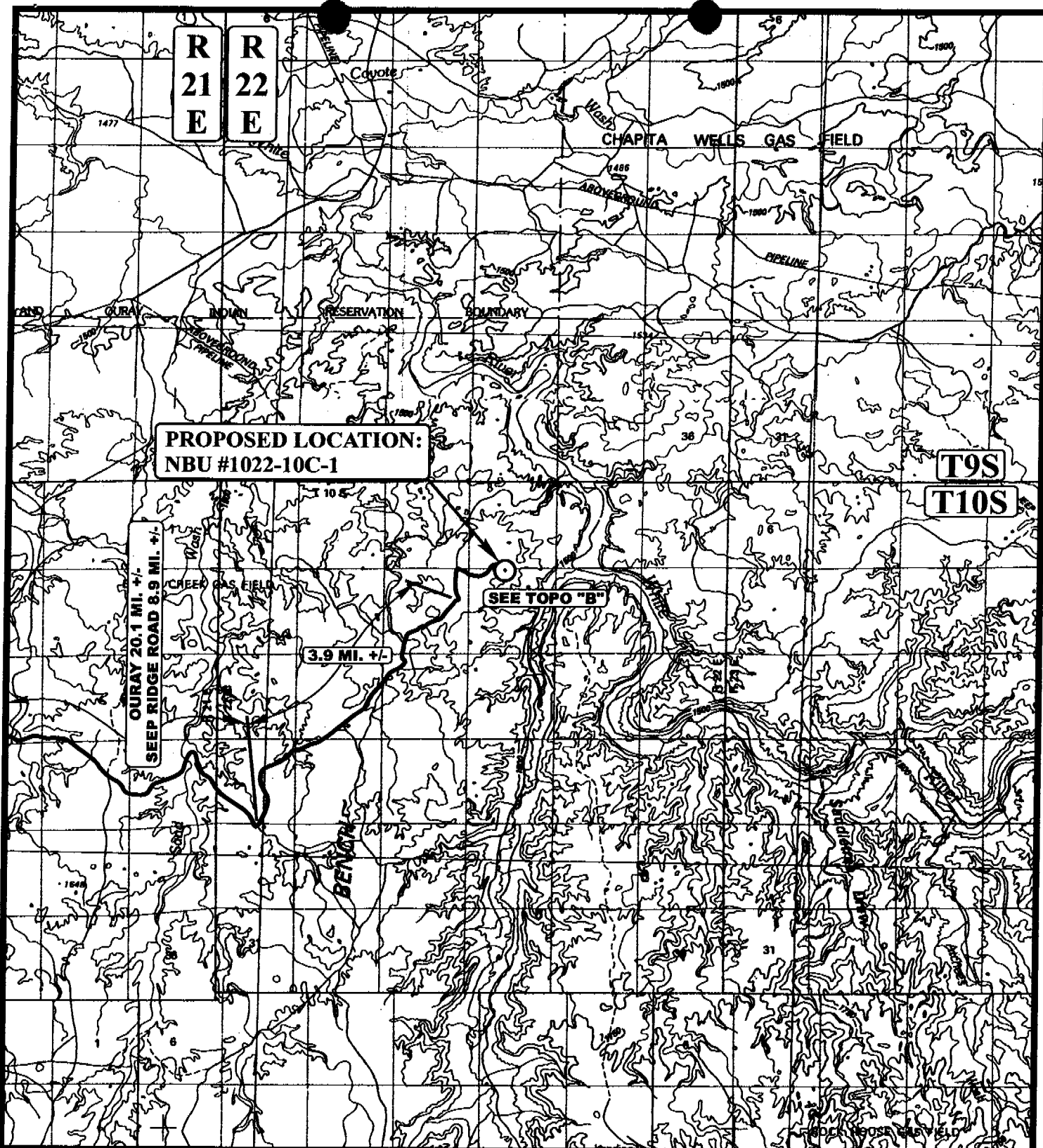
**PHOTO**

TAKEN BY: P.J.

DRAWN BY: C.P.

REVISED: 00-00-00





# **LEGEND:**

○ PROPOSED LOCATION

N

**Kerr-McGee Oil & Gas Onshore LP**

NBU #1022-10C-1

SECTION 10, T10S, R22E, S.L.B.&M.

104' FNL 2193' FWL



Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

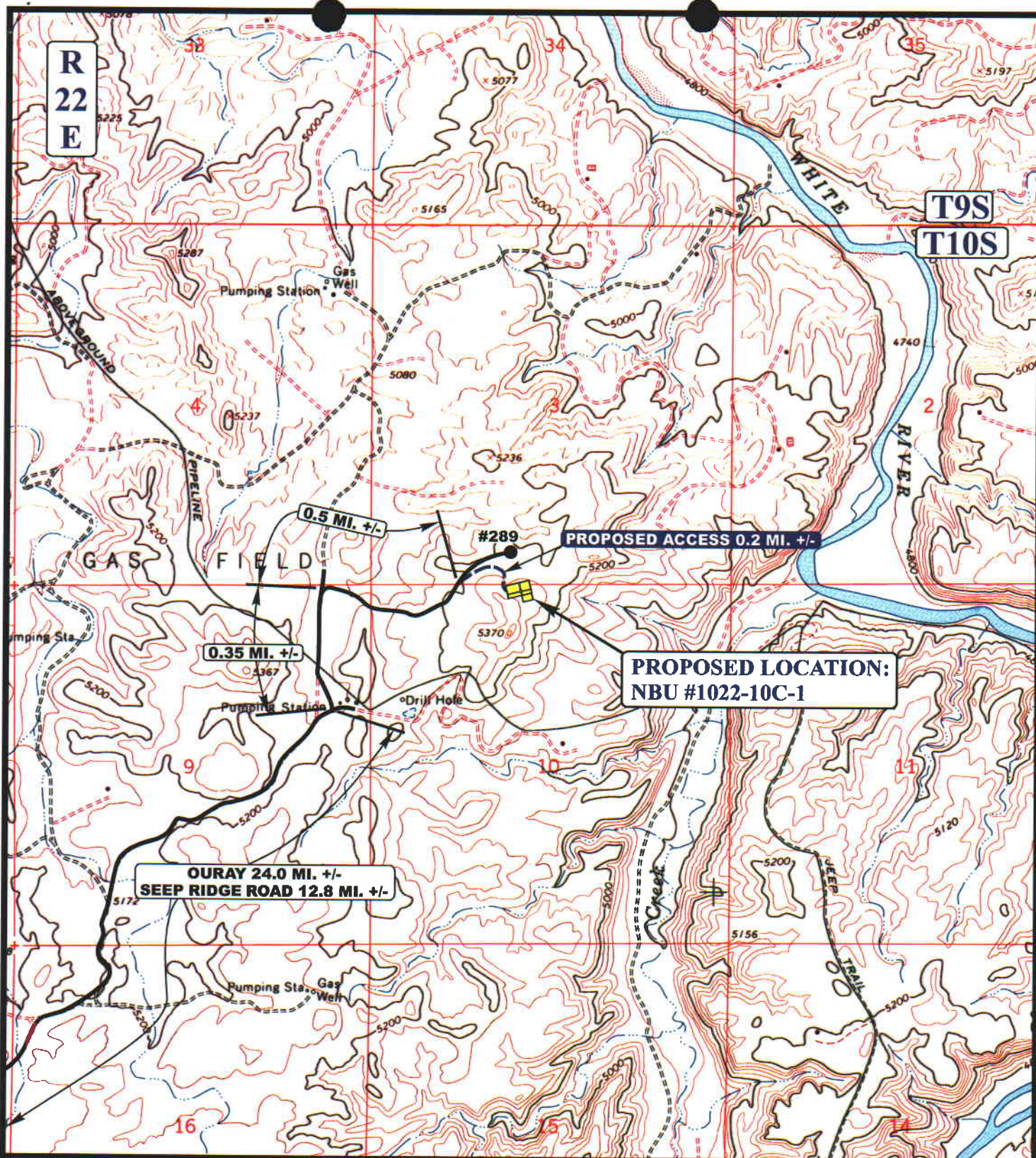
TOPOGRAPHIC  
MAP

05 17 06  
MONTH DAY YEAR

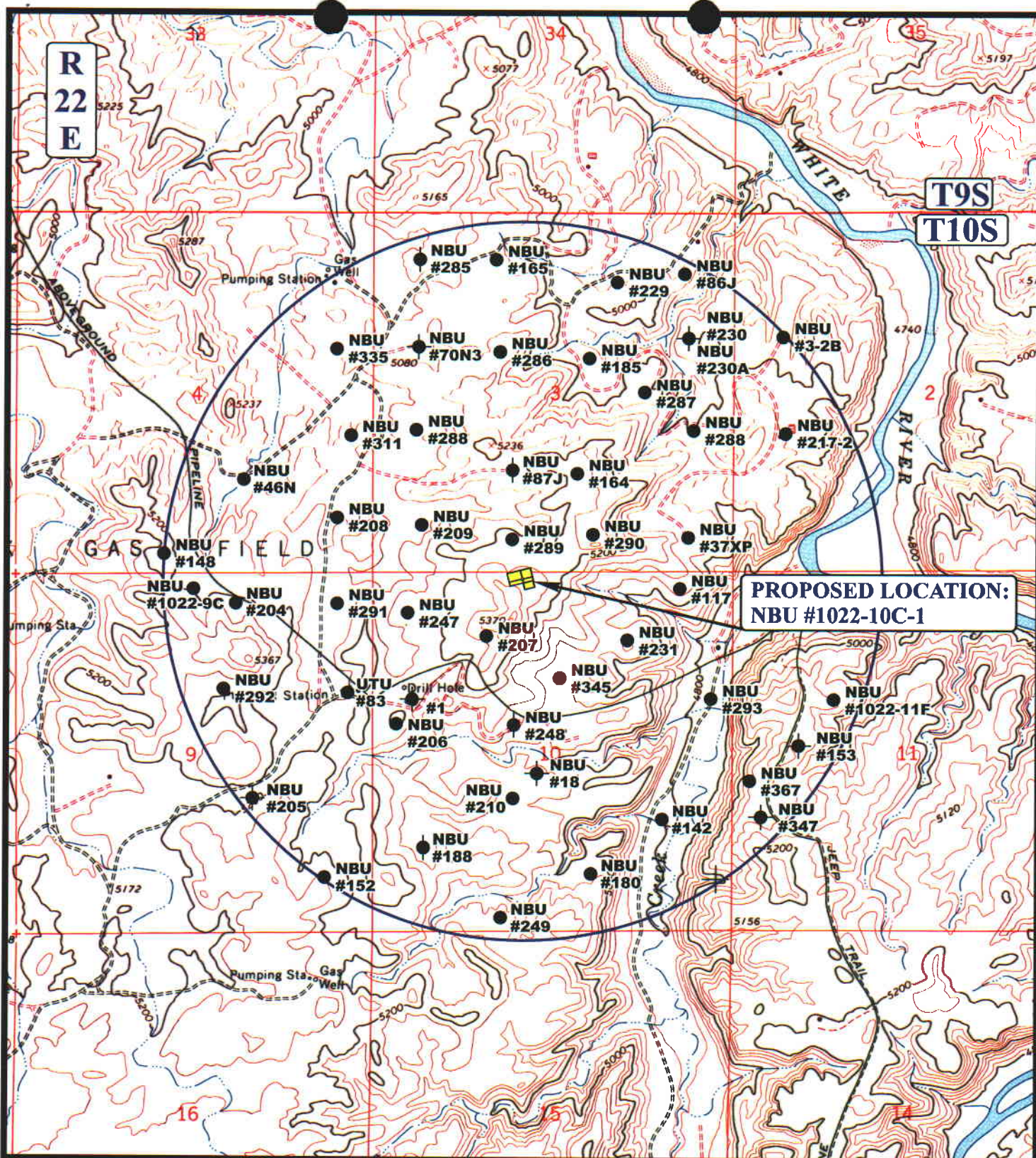
SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00



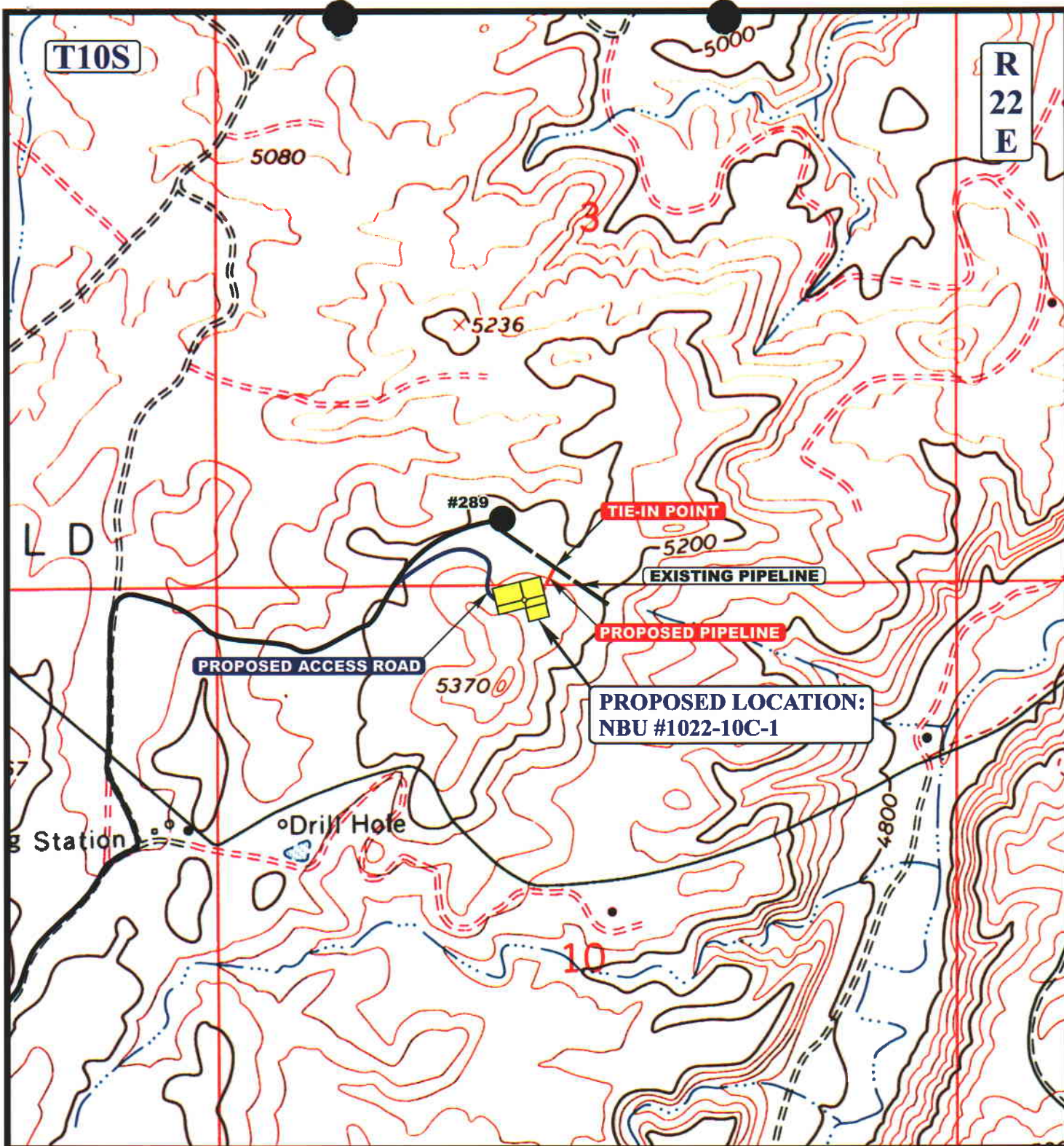












**APPROXIMATE TOTAL PIPELINE DISTANCE = 186' +/-**

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - - PROPOSED PIPELINE



**Kerr-McGee Oil & Gas Onshore LP**

**NBU #1022-10C-1**

**SECTION 10, T10S, R22E, S.L.B.&M.**

**104' FNL 2193' FWL**



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC  
MAP**

**05 17 06**  
MONTH DAY YEAR

SCALE: 1" = 1000'

DRAWN BY: C.P.

REVISED: 00-00-00





# Kerr-McGee Oil & Gas Onshore LP

NBU #1022-10C-1

PIPELINE ALIGNMENT

LOCATED IN UINTAH COUNTY, UTAH

SECTION 10, T10S, R22E, S.L.B.&M.



PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

**UELS** Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

**PIPELINE PHOTOS**

**05 17 06**  
MONTH DAY YEAR

**PHOTO**

TAKEN BY: P.J.

DRAWN BY: C.P.

REVISED: 00-00-00

# Kelly-McGee Oil & Gas Onshore LP

FIGURE #1

## LOCATION LAYOUT FOR

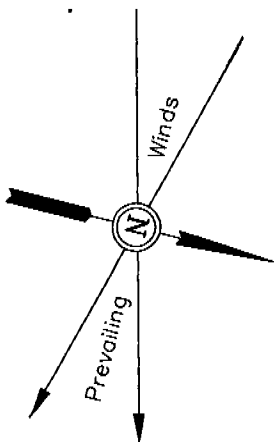
NBU #1022-10C-1

SECTION 10, T10S, R22E, S.L.B.&M.

C-14.5' 104' FNL 2193' FWL  
El. 307.5'

Proposed Access Road

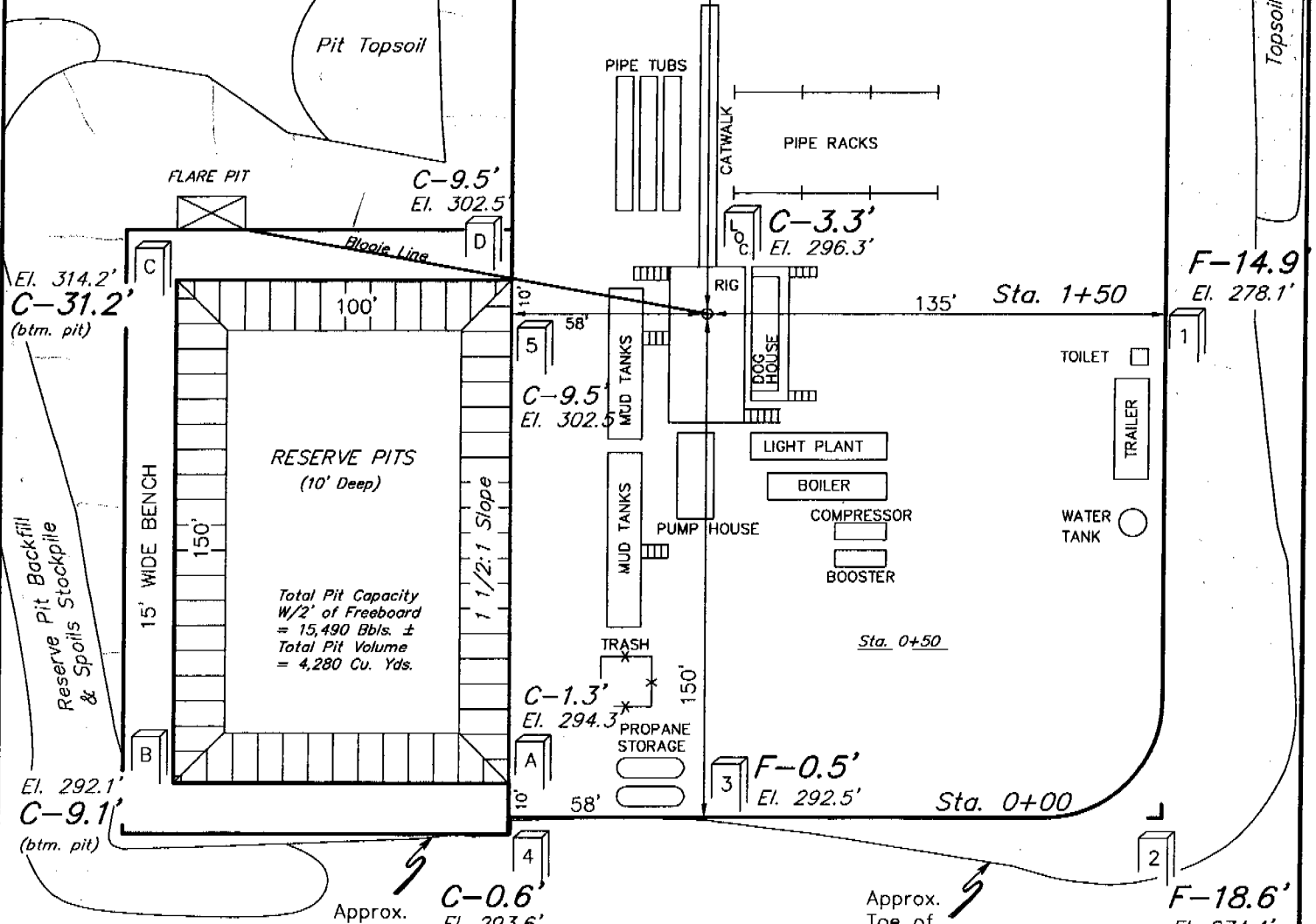
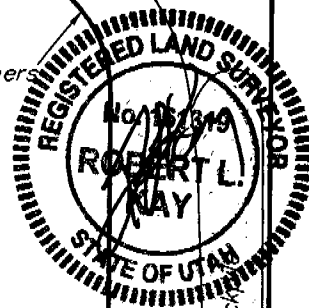
F-10.9'  
El. 282.1'



SCALE: 1" = 50'  
DATE: 05-15-06  
Drawn By: P.M.

### NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.



### NOTES:

Elev. Ungraded Ground At Loc. Stake = 5296.3'  
FINISHED GRADE ELEV. AT LOC. STAKE = 5293.0'

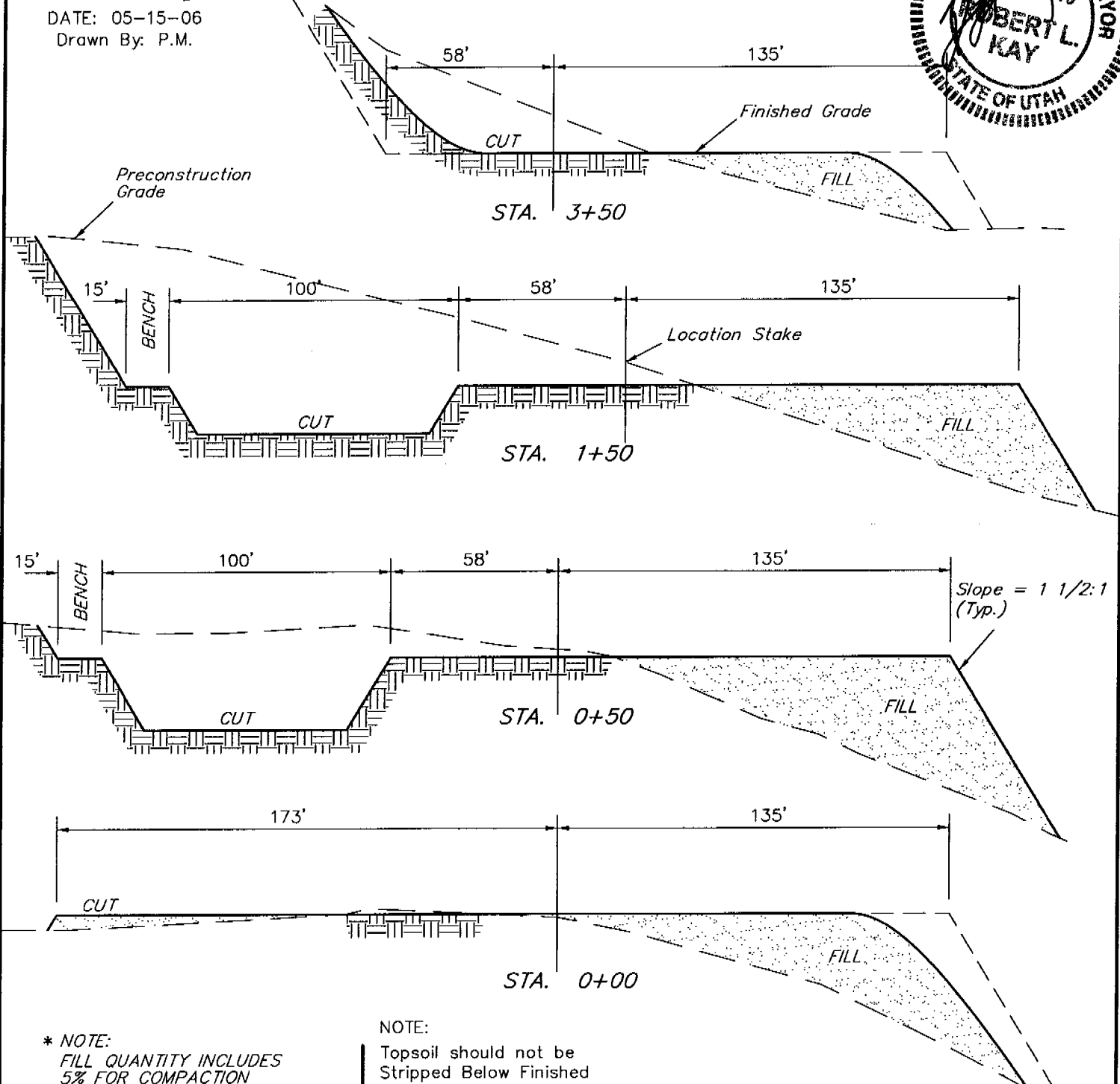
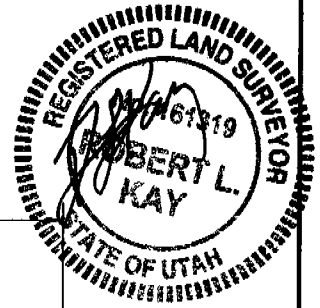
UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

# Kerr-McGee Oil & Gas Onshore LP

FIGURE #2

TYPICAL CROSS SECTIONS FOR  
NBU #1022-10C-1  
SECTION 10, T10S, R22E, S.L.B.&M.  
104' FNL 2193' FWL

1" = 20'  
X-Section Scale  
1" = 50'  
DATE: 05-15-06  
Drawn By: P.M.



\* NOTE:  
FILL QUANTITY INCLUDES  
5% FOR COMPACTION

NOTE:  
Topsoil should not be  
Stripped Below Finished  
Grade on Substructure Area.

## APPROXIMATE YARDAGES

CUT  
(6") Topsoil Stripping = 2,230 Cu. Yds.  
Remaining Location = 17,480 Cu. Yds.  
  
TOTAL CUT = 19,710 CU.YDS.  
FILL = 15,340 CU.YDS.

EXCESS MATERIAL = 4,370 Cu. Yds.  
Topsoil & Pit Backfill = 4,370 Cu. Yds.  
(1/2 Pit Vol.)  
EXCESS UNBALANCE = 0 Cu. Yds.  
(After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

**WORKSHEET**  
**APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 08/31/2006

API NO. ASSIGNED: 43-047-38562

WELL NAME: NBU 1022-10C-1

OPERATOR: KERR-MCGEE OIL & GAS ( N2995 )

CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

**PROPOSED LOCATION:**

NENW 10 100S 220E

SURFACE: 0104 FNL 2193 FWL

BOTTOM: 0104 FNL 2193 FWL

COUNTY: UINTAH

LATITUDE: 39.97037 LONGITUDE: -109.4269

UTM SURF EASTINGS: 634342 NORTHINGS: 4425444

FIELD NAME: NATURAL BUTTES ( 630 )

INSPECT LOCATN BY: / /

| Tech Review | Initials | Date    |
|-------------|----------|---------|
| Engineering | DRO      | 11/2/06 |
| Geology     |          |         |
| Surface     |          |         |

LEASE TYPE: 3 - State

LEASE NUMBER: STUO-01197-ST

SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSMVD

COALBED METHANE WELL? NO

**RECEIVED AND/OR REVIEWED:**

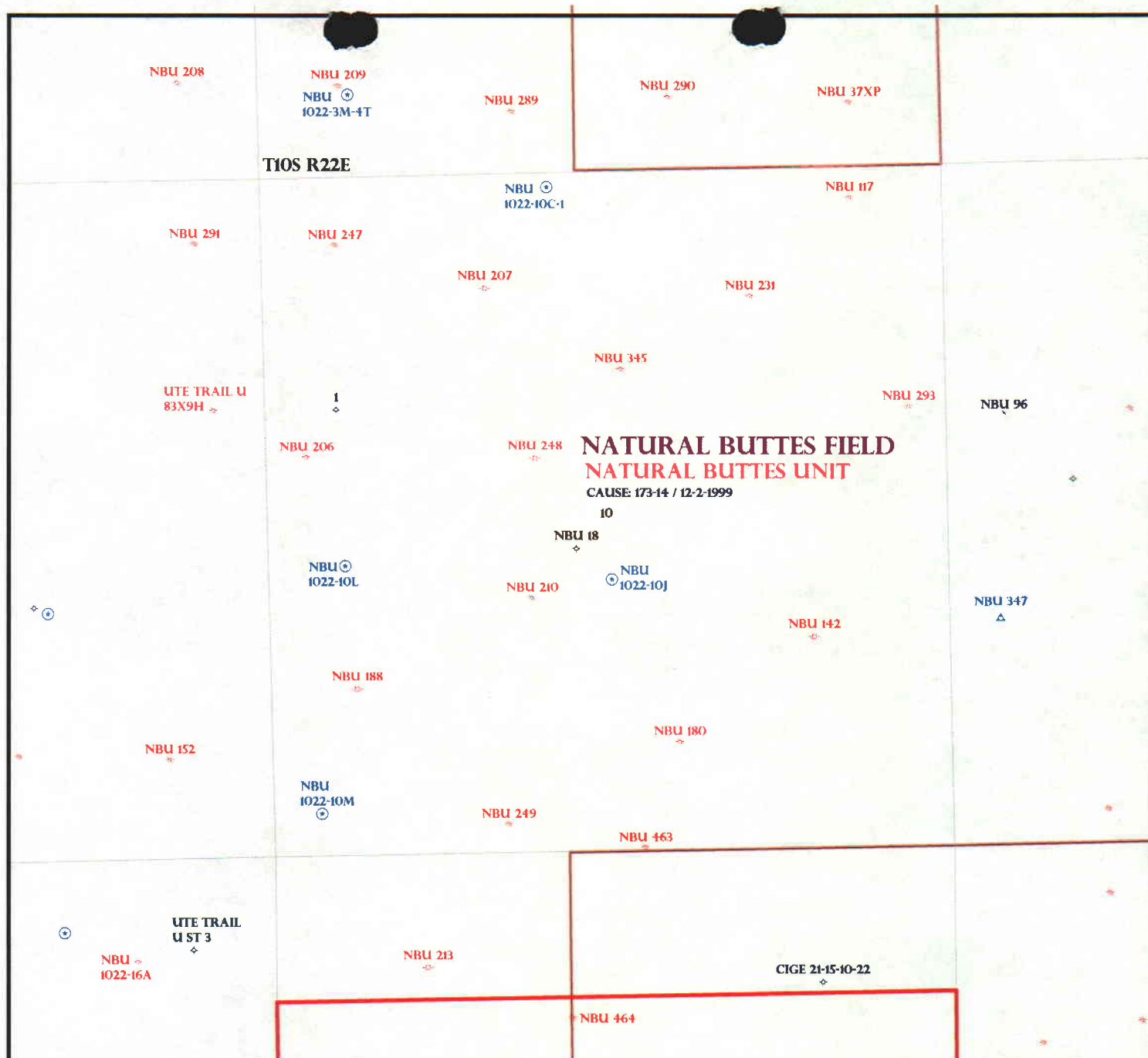
☒ Plat  
☒ Bond: Fed[] Ind[] Sta[] Fee[]  
(No. RLB0005236 )  
N Potash (Y/N)  
☒ Oil Shale 190-5 (B) or 190-3 or 190-13  
☒ Water Permit  
(No. 43-8496 )  
N RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )  
N/A Fee Surf Agreement (Y/N)  
N/A Intent to Commingle (Y/N)

**LOCATION AND SITING:**

       R649-2-3.  
Unit: NATURAL BUTTES  
       R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells  
       R649-3-3. Exception  
☒ Drilling Unit  
Board Cause No: 173-14  
Eff Date: 12-2-99  
Siting: 460' to W. edge of Union Mt. Trails  
       R649-3-11. Directional Drill

COMMENTS: Nude Prod 10-03-06

STIPULATIONS: 1- STATEMENT OF BASIS  
2- OIL SHALE  
3- Surface Csg Cont Stip



OPERATOR: KERR MCGEE O&G (N2995)

SEC: 10 T.10S R.22E

FIELD: NATURAL BUTTES (630)

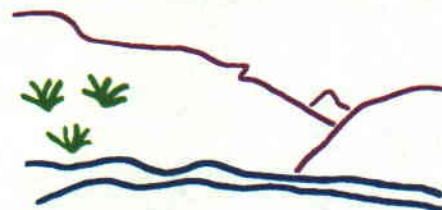
COUNTY: UINTAH

CAUSE: 173-14 / 12-2-1999

**Field Status**  
 [ ] ABANDONED  
 [ ] ACTIVE  
 [ ] COMBINED  
 [ ] INACTIVE  
 [ ] PROPOSED  
 [ ] STORAGE  
 [ ] TERMINATED

**Unit Status**  
 [ ] EXPLORATORY  
 [ ] GAS STORAGE  
 [ ] NF PP OIL  
 [ ] NF SECONDARY  
 [ ] PENDING  
 [ ] PI OIL  
 [ ] PP GAS  
 [ ] PP GEOTHERML  
 [ ] PP OIL  
 [ ] SECONDARY  
 [ ] TERMINATED

**Wells Status**  
 [ ] GAS INJECTION  
 [ ] GAS STORAGE  
 [ ] LOCATION ABANDONED  
 [ ] NEW LOCATION  
 [ ] PLUGGED & ABANDONED  
 [ ] PRODUCING GAS  
 [ ] PRODUCING OIL  
 [ ] SHUT-IN GAS  
 [ ] SHUT-IN OIL  
 [ ] TEMP. ABANDONED  
 [ ] TEST WELL  
 [ ] WATER INJECTION  
 [ ] WATER SUPPLY  
 [ ] WATER DISPOSAL  
 [ ] DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY  
 DATE: 18-SEPTEMBER-2006



# Application for Permit to Drill

## Statement of Basis

10/11/2006

Utah Division of Oil, Gas and Mining

Page 1

|                  |  |                     |                          |                  |            |  |  |  |
|------------------|--|---------------------|--------------------------|------------------|------------|--|--|--|
| <b>APD No</b>    | <b>API WellNo</b>  | <b>Status</b>       | <b>Well Type</b>         | <b>Surf Ownr</b> | <b>CBM</b> |  |  |  |
| 86               | 43-047-38562-00-00   |                     | GW                       | S                | No         |  |  |  |
| <b>Operator</b>  | KERR-MCGEE OIL & GAS ONSHORE, LP                               |                     | <b>Surface Owner-APD</b> |                  |            |  |  |  |
| <b>Well Name</b> | NBU 1022-10C-1   | <b>Unit</b>         | NATURAL BUTTES           |                  |            |  |  |  |
| <b>Field</b>     | NATURAL BUTTES   | <b>Type of Work</b> |                          |                  |            |  |  |  |
| <b>Location</b>  | NENW 10 10S 22E S 0 F L 0 F L GPS Coord (UTM) 634342E 4425444N |                     |                          |                  |            |  |  |  |

### Geologic Statement of Basis

Kerr-McGee proposes to set 2,100' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 4,300'. A search of Division of Water Rights records shows 1 water well within a 10,000 foot radius of the center of Section 10. This well is approximately 2 miles southwest of the proposed location and is owned by the BLM. The well is 1850 feet deep and used for stockwatering. At this depth the well may be producing water from the Green River Formation. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. The production casing cement should be brought above the base of the moderately saline groundwater to isolate it from fresher waters uphole.

Brad Hill  
APD Evaluator

10/11/2006  
Date / Time

### Surface Statement of Basis

Both the surface and minerals are owned by SITLA. The general area is the Sand Wash drainage of Uintah, County. Sand Wash is approximately 36 air miles south of Vernal, Utah and approximately 24 miles southeast of Ouray, Utah. Access is by State of Utah Highway, Uintah County and oilfield development roads. Approximately 0.2 miles of new road will be constructed to reach the location.

Topography is characterized by broad open flats dissected by numerous sub-drainages, which often become steep with ridges and draws with exposed sandstone layers. No perennial streams occur in drainage. Individual draws or washes are ephemeral with spring runoff or flows from sometimes-intense summer rainstorms. White River is to the northeast about 1 1/2 miles. No springs exist in the area. An occasional constructed pond occurs furnishing water for antelope or livestock.

The proposed location is beyond the point of a main ridge on a rounded ridge which slopes moderately to the west toward an existing location. Heavy cut will occur on the south. No stabilization concerns exist.

Ben Williams of the UDWR was invited to and attended the presite. He stated the general area is classified as critical yearlong antelope range, however he did not recommend any stipulations, as water is the limiting factor affecting the population not forage. Also, no other wildlife is expected to be affected. He provided Jim Davis of SITLA and Carrol Estes of Kerr-Mcgee a copy of his wildlife evaluation and a seed mix recommended by DWR to be used in reseeding the location.

Floyd Bartlett  
Onsite Evaluator

10/3/2006  
Date / Time

# **Application for Permit to Drill**

## **Statement of Basis**

10/11/2006

**Utah Division of Oil, Gas and Mining**

Page 2

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### **Conditions of Approval / Application for Permit to Drill**

| <b>Category</b> | <b>Condition</b>   |
|-----------------|--|
| Pits            | A synthetic liner with a minimum thickness of 20 mils with a felt subliner shall be properly installed and maintained in the reserve pit. The operator plans to install a double 20 mil liner at this location |

# **ON-SITE PREDRILL EVALUATION**

## **Utah Division of Oil, Gas and Mining**

**Operator** KERR-MCGEE OIL & GAS ONSHORE, LP  
**Well Name** NBU 1022-10C-1  
**API Number** 43-047-38562-0 **APD No** 86 **Field/Unit** NATURAL BUTTES  
**Location:** 1/4,1/4 NENW **Sec** 10 **Tw** 10S **Rng** 22E 0 FL 0 FL  
**GPS Coord (UTM)** 634348 4425455 **Surface Owner**

### **Participants**

Floyd Bartlett (DOGM), Carol Estes, B J Braithwaite, Tony Kazeck and Clay Einerson (Kerr McGee), David Kay (Uintah Engineering & Land Survey), Jim Davis (SITLA), Ben Williams (UDWR)

### **Regional/Local Setting & Topography**

The general area is the Sand Wash drainage of Uintah, County. Sand Wash is approximately 36 air miles south of Vernal, Utah and approximately 24 miles southeast of Ouray, Utah. Access is by State of Utah Highway, Uintah County and oilfield development roads. Approximately 0.2 miles of new road will be constructed to reach the location.

Topography is characterized by broad open flats dissected by numerous sub-drainages, which often become steep with ridges and draws with exposed sandstone layers. No perennial streams occur in drainage. Individual draws or washes are ephemeral with spring runoff or flows from sometimes-intense summer rainstorms. White River is to the northeast about 1 1/2 miles. No springs exist in the area. An occasional constructed pond occurs furnishing water for antelope or livestock.

The proposed location is beyond the point of a main ridge on a rounded ridge which slopes moderately to the west toward an existing location. Heavy cut will occur on the south. No stabilization concerns exist.

### **Surface Use Plan**

#### **Current Surface Use**

Wildlife Habitat

Recreational

#### **New Road**

| <b>Miles</b> | <b>Well Pad</b>                    | <b>Src Const Material</b> | <b>Surface Formation</b> |
|--------------|------------------------------------|---------------------------|--------------------------|
| 0.2          | <b>Width</b> 263 <b>Length</b> 350 | Onsite                    | UNTA                     |

**Ancillary Facilities** N

### **Waste Management Plan Adequate?** Y

### **Environmental Parameters**

**Affected Floodplains and/or Wetland** N

#### **Flora / Fauna**

Blacksage, halogeton, cheatgrass, curly mesquite, broom snakeweed, shadscale, annual mustard,, rabbitbrush.

Antelope, small mammals and birds.

#### **Soil Type and Characteristics**

Stoney sandy loam

**Erosion Issues** N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? Y    Paleo Potential Observed? N    Cultural Survey Run? Y    Cultural Resources?

**Reserve Pit**

**Site-Specific Factors**

**Site Ranking**

|                                   |                  |    |
|-----------------------------------|------------------|----|
| Distance to Groundwater (feet)    | >200             | 0  |
| Distance to Surface Water (feet)  | >1000            | 0  |
| Dist. Nearest Municipal Well (ft) | >5280            | 0  |
| Distance to Other Wells (feet)    | 300 to 1320      | 10 |
| Native Soil Type                  | Mod permeability | 10 |
| Fluid Type                        | Fresh Water      | 5  |
| Drill Cuttings                    | Normal Rock      | 0  |
| Annual Precipitation (inches)     | <10              | 0  |
| Affected Populations              | <10              | 0  |
| Presence Nearby Utility Conduits  | Not Present      | 0  |

**Final Score**      25    1    **Sensitivity Level**

**Characteristics / Requirements**

150' x 70' x 10' deep located on the north east side of the location in an area of cut. The operator has a standard practice of lining all pits with a 20 mil. liner and 2 layers of felt underlayment. The operator plans to instal a double 20 mil liner.

The pit size may be reduced for this location depending on the planned drilling rig.

**Closed Loop Mud Required? N    Liner Required? Y    Liner Thickness 20    Pit Underlayment Required? Y**

**Other Observations / Comments**

Ben Williams of the UDWR was invited to and attended the presite. He stated the general area is classified as critical yearlong antelope range, however he did not recommend any stipulations, as water is the limiting factor affecting the population not forage. Also, no other wildlife is expected to be affected. He provided Jim Davis of SITLA and Carrol Estes of Kerr-Mcgee a copy of his wildlife evaluation and a seed mix recommended by DWR to be used in reseeding the location.

Floyd Bartlett  
**Evaluator**

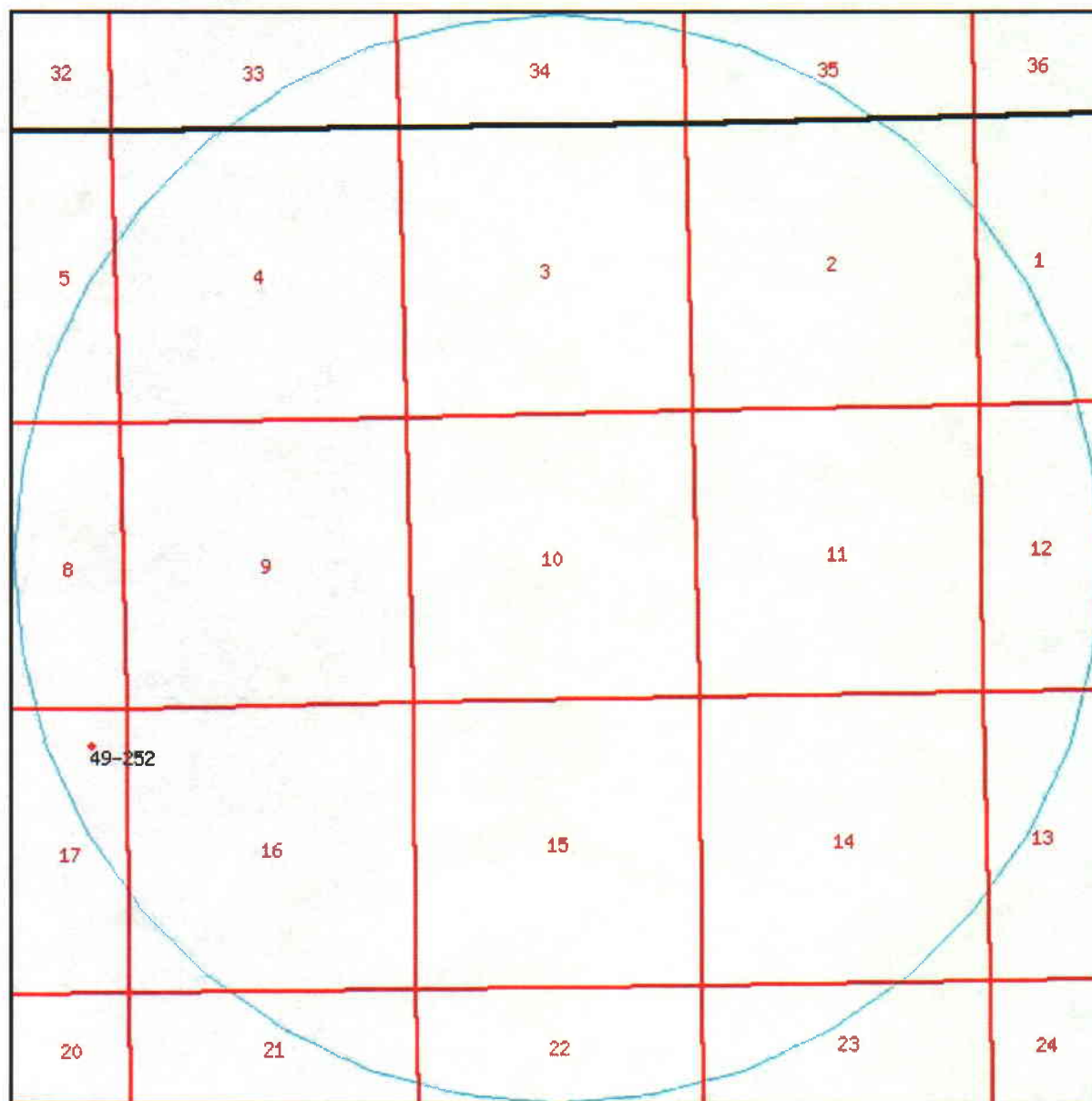
10/3/2006  
**Date / Time**



## WRPLAT Program Output Listing

Version: 2004.12.30.00      Rundate: 10/11/2006 10:15 AM

Radius search of 10000 feet from a point N2640 E2640 from the SW corner, section 10, Township 10S, Range 22E, SL b&m Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all



0 1300 2600 3900 5200 ft

**Water Rights**

| <b>WR<br/>Number</b> | <b>Diversion<br/>Type/Location</b> | <b>Well<br/>Log</b> | <b>Status</b> | <b>Priority</b> | <b>Uses</b> | <b>CFS</b> | <b>ACFT</b> | <b>Owner</b>                        |
|----------------------|------------------------------------|---------------------|---------------|-----------------|-------------|------------|-------------|-------------------------------------|
| 49-252               | Underground                        |                     | P             | 19640613        | S           | 0.022      | 0.000       | VERNAL DISTRICT U<br>LAND MANAGEMEN |
|                      | S660 W660 NE 17 10S<br>22E SL      |                     |               |                 |             |            |             | 170 SOUTH 500 EAST                  |

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

Casing Schematic

Surface

BHP

$$(0.052)(8830)11.7 = 5372 \text{ psi}$$

anticipate 5471 psi

gas

$$(.12)8830 = 1060$$

$$5372 \rightarrow 5312 \text{ psi}$$

MASP

9-5/8"

MW 8.4

Frac 19.3

BOPE 5M ✓

BURST 2270

$$70\% = 1589 \text{ psi}$$

Test to 1589 psi ✓  
(± 700 psi surf press)

Max P@ csg shoe

$$(.22)8830 = 1943$$

$$5372 - 1943 = 3429 \text{ psi}$$

Test to

⇒ Slip surf cmt ✓

✓ Adequate Deco 11/2/06

TOC @ 0.

Winta

✓ If circulate TOC @ Surface w/ 5% w/o  
will base Vbl on Caliper plus log to tail

1101' TOC w/0% w/o

1349' Green River

1594' Birds Nest Water

TOC @ 1607.

2204' Surface Mahogany  
2100. MD

3070' TOC tail

4300' ± BMSW

4401' Wasatch

6744' Mesaverde

7793' MV u2

8329' MV L1

4-1/2"  
MW 11.7

Production  
8830. MD

|              |   |                     |
|--------------|---|---------------------|
| Well name:   | <b>2006-10 Kerr McGee NBU 1022-10C-1</b>    |                     |
| Operator:    | <b>Kerr McGee Oil &amp; Gas Onshore, LP</b> | Project ID:         |
| String type: | <b>Surface</b>                              | <b>43-047-38562</b> |
| Location:    | <b>Uintah County, Utah</b>                  |                     |

**Design parameters:**
**Collapse**

Mud weight: 8.400 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**
**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 104 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: 1,607 ft

**Burst**

Max anticipated surface pressure: 1,848 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 2,100 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on buoyed weight.  
Neutral point: 1,841 ft

**Non-directional string.**
**Re subsequent strings:**

Next setting depth: 8,830 ft  
Next mud weight: 11,500 ppg  
Next setting BHP: 5,275 psi  
Fracture mud wt: 19,250 ppg  
Fracture depth: 2,100 ft  
Injection pressure: 2,100 psi

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-----------|-------------------------|-------|------------|----------------------|---------------------|---------------------|-------------------------|
| 1       | 2100                | 9.625     | 32.30                   | H-40  | ST&C       | 2100                 | 2100                | 8.876               | 928                     |

| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
|---------|---------------------|-------------------------|------------------------|------------------|----------------------|---------------------|---------------------|-------------------------|-----------------------|
| 1       | 916                 | 1370                    | 1.495 ✓                | 2100             | 2270                 | 1.08 ✓              | 59                  | 254                     | 4.27 J ✓              |

Prepared by: Helen Sadik-Macdonald  
Div of Oil, Gas & Minerals

Phone: (801) 538-5357  
FAX: (801) 359-3940

Date: October 27, 2006  
Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 2100 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*



Well name: **2006-10 Kerr McGee NBU 1022-10C-1**

Operator: **Kerr McGee Oil & Gas Onshore, LP**

String type: **Production**

Project ID:  
43-047-38562

Location: **Uintah County, Utah**

**Design parameters:**

**Collapse**

Mud weight: 11.700 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 199 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 3,424 psi  
Internal gradient: 0.220 psi/ft  
Calculated BHP 5,367 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

**Non-directional string.**

Tension is based on buoyed weight.  
Neutral point: 7,286 ft

| Run Seq | Segment Length (ft) | Size (in)               | Nominal Weight (lbs/ft) | Grade            | End Finish           | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in)     | Internal Capacity (ft³) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|
| 1       | 8830                | 4.5                     | 11.60                   | I-80             | LT&C                 | 8830                 | 8830                | 3.875                   | 770.6                   |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor  | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor  | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor   |
| 1       | 5367                | 6360                    | 1.185 ✓                 | 5367             | 7780                 | 1.45 ✓               | 85                  | 212                     | 2.51 J ✓                |

Prepared by: Helen Sadik-Macdonald  
Div of Oil, Gas & Minerals

Phone: (801) 538-5357  
FAX: (801) 359-3940

Date: October 27, 2006  
Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 8830 ft, a mud weight of 11.7 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:  
3160  
(UT-922)

September 19, 2006

### Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2006 Plan of Development Natural Buttes Unit Uintah  
County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within the Natural Buttes Unit, Uintah County, Utah.

| API # | WELL NAME | LOCATION |
|-------|-----------|----------|
|-------|-----------|----------|

(Proposed PZ Wasatch/MesaVerde)

43-047-38560 NBU 922-31P-1 Sec 31 T09S R22E 1007 FSL 0107 FEL  
43-047-38561 NBU 922-31A-4T Sec 31 T09S R22E 0852 FNL 0301 FEL  
43-047-38567 NBU 922-32N-1T Sec 32 T09S R22E 1200 FSL 2329 FWL  
43-047-38569 NBU 922-32H-3T Sec 32 T09S R22E 2302 FNL 0891 FEL  
43-047-38570 NBU 1022-7H-4 Sec 07 T10S R22E 2488 FNL 0227 FEL  
43-047-38571 NBU 1022-7B-3T Sec 07 T10S R22E 0967 FNL 2042 FEL  
43-047-38562 NBU 1022-10C-1 Sec 10 T10S R22E 0104 FNL 2193 FWL

The following wells are twins of existing Wasatch wells

43-047-38564 NBU 922-31P-3T Sec 31 T09S R22E 0491 FSL 0971 FEL  
43-047-38565 NBU 922-31K-2T Sec 31 T09S R22E 2589 FSL 1435 FWL  
43-047-38566 NBU 922-31J-1T Sec 31 T09S R22E 2383 FSL 1826 FEL  
43-047-38568 NBU 922-32L-4T Sec 32 T09S R22E 1954 FSL 1286 FWL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

**From:** Ed Bonner  
**To:** Whitney, Diana  
**Date:** 10/3/2006 1:43:10 PM  
**Subject:** Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

**Dominion E&P, Inc**

Kings Canyon 2-32E (API 43 047 38261)  
Kings Canyon 9-32E (API 43 047 38262)  
Kings Canyon 11-32E (API 43 047 38378)  
LCU 3-36F (API 43 047 37986)  
LCU 6-36F (API 43 047 37999)  
LCU 8-36F (API 43 047 37988)  
LCU 10-36F (API 43 047 37987)  
LCU 13-36F (API 43 047 37989)  
LCU 15-36F (API 43 047 38260) 1 significant site which must be avoided  
LCU 11-36F (API 43 047 38026)

**Fellows Energy, LLC**

Gordon Creek State 4-7-14-8 (API 43 007 31230)  
Gordon Creek State 1-7-14-8 (API 43 007 31231)  
Gordon Creek State 3-7-14-8 (API 43 007 31232)  
Gordon Creek State 3-20-14-8 (API 43 007 31233)  
Gordon Creek State 2-29-14-8 (API 43 007 31234) 1 significant site in access/pipeline corridor which must be avoided  
Gordon Creek State 1-30-14-8 (API 43 007 31235) 1 significant site in access/pipeline corridor which must be avoided

**Gasco Production Company**

State 4-32A (API 43 047 38533)

**Kerr McGee Oil & Gas Onshore LP**

NBU 922-32L-4T (API 43 047 38568)  
NBU 922-31A-4T (API 43 047 38561)  
NBU 922-31J-1T (API 43 047 38566)  
NBU 922-31K-2T (API 43 047 38565)  
NBU 922-31P-3T (API 43 047 38564)  
NBU 922-31P-1 (API 43 047 38560)  
NBU 1022-7B-3T (API 43 047 38571)  
NBU 1022-10C-1 (API 43 047 38562)

If you have any questions regarding this matter please give me a call.

**CC:** Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

|   |  |  |
|---|--|--|
| 1. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br>STUO-01197-ST |
| 2. NAME OF OPERATOR:<br>KERR MCGEE OIL & GAS ONSHORE LP   |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:                    |
| 3. ADDRESS OF OPERATOR:<br>1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078                                |  | 7. UNIT or CA AGREEMENT NAME:<br>UNIT #891008900A        |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: 104'FNL, 2193'FWL   |  | 8. WELL NAME and NUMBER:<br>NBU 1022-10C-1               |
| 5. PHONE NUMBER:<br>(435) 781-7024  |  | 9. API NUMBER:<br>43-047-38562                           |
| 6. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 10S 22E   |  | 10. FIELD AND POOL, OR WILDCAT:<br>NATURAL BUTTES        |

COUNTY: UINTAH

STATE: UTAH

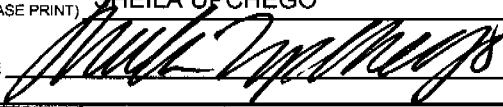
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION  | TYPE OF ACTION   |   |  |  |
|---|--|---|--|--|
| <input checked="" type="checkbox"/> NOTICE OF INTENT<br>(Submit in Duplicate)<br>Approximate date work will start:<br>_____ | <input type="checkbox"/> ACIDIZE                             | <input type="checkbox"/> DEEPEN                           | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |  |
|   | <input type="checkbox"/> ALTER CASING                        | <input type="checkbox"/> FRACTURE TREAT                   | <input type="checkbox"/> SIDETRACK TO REPAIR WELL      |  |
|   | <input type="checkbox"/> CASING REPAIR                       | <input type="checkbox"/> NEW CONSTRUCTION                 | <input type="checkbox"/> TEMPORARILY ABANDON           |  |
|   | <input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE                  | <input type="checkbox"/> TUBING REPAIR                 |  |
|   | <input type="checkbox"/> CHANGE TUBING                       | <input type="checkbox"/> PLUG AND ABANDON                 | <input type="checkbox"/> VENT OR FLARE                 |  |
| <input type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>Date of work completion:<br>_____              | <input type="checkbox"/> CHANGE WELL NAME                    | <input type="checkbox"/> PLUG BACK                        | <input type="checkbox"/> WATER DISPOSAL                |  |
|   | <input type="checkbox"/> CHANGE WELL STATUS                  | <input type="checkbox"/> PRODUCTION (START/RESUME)        | <input type="checkbox"/> WATER SHUT-OFF                |  |
|   | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS      | <input type="checkbox"/> RECLAMATION OF WELL SITE         | <input type="checkbox"/> OTHER: _____                  |  |
|   | <input type="checkbox"/> CONVERT WELL TYPE                   | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION |  |  |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

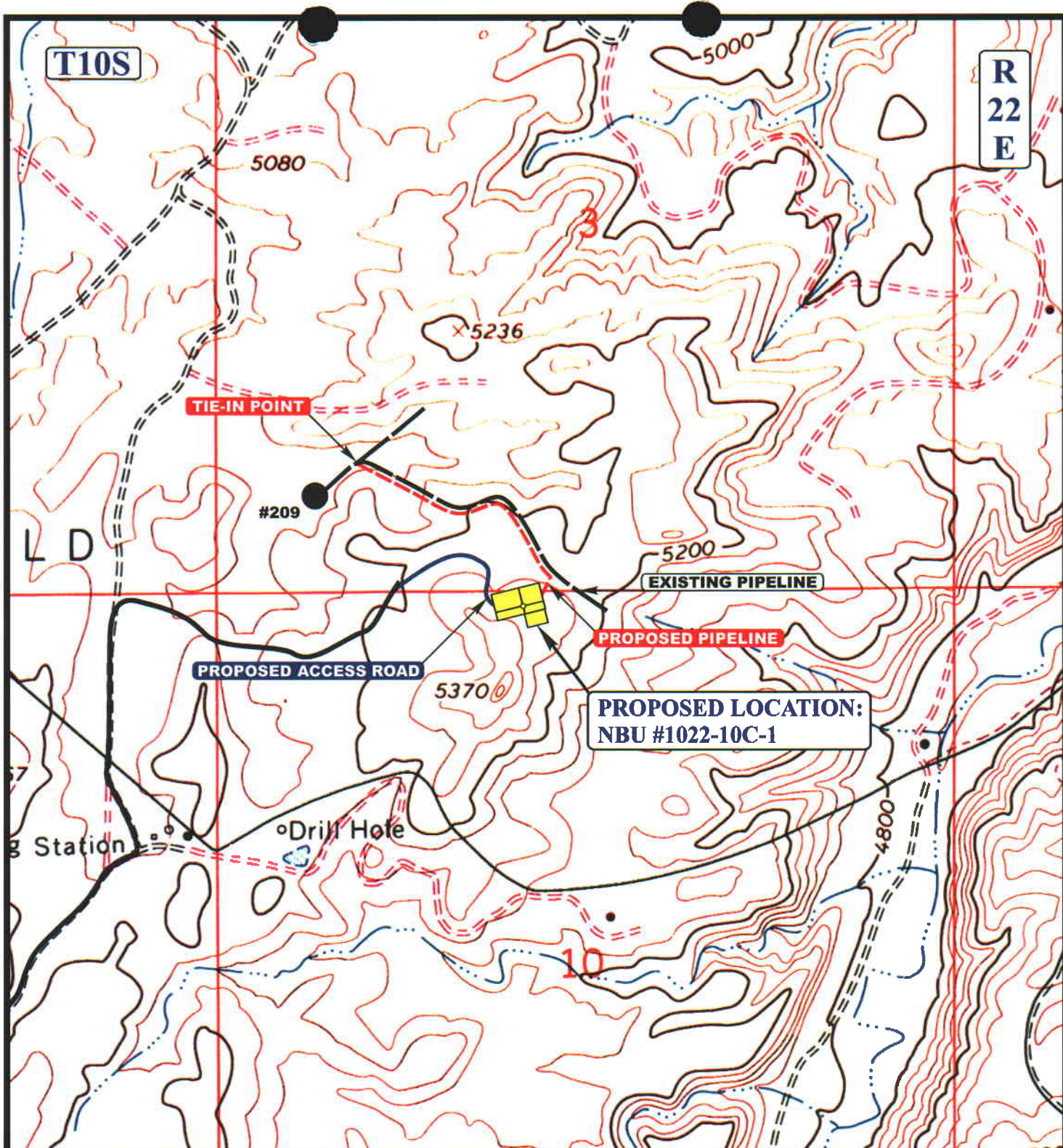
AN ON-SITED WAS CONDUCTED WITH UDOGM ON OCTOBER 3, 2003, IT WAS DECIDED ON THE ON-SITE INSPECTION TO INSTALL APPROXIMATELY 2000' +/- OF 4" PIPELINE FROM THE PROPOSED PIPELINE TO AN EXISTING PIPELINE.

REFER TO THE TOPO D MAP FOR PIPELINE PLACEMENT.

|   |                          |
|---|--------------------------|
| NAME (PLEASE PRINT) SHEILA UPCHEGO  | TITLE REGULATORY ANALYST |
| SIGNATURE  | DATE 10/11/2006          |

(This space for State use only)

RECEIVED  
OCT 20 2006  
DIV. OF OIL, GAS & MINING



**APPROXIMATE TOTAL PIPELINE DISTANCE = 2,000' +/-**

**LEGEND:**

- PROPOSED ACCESS ROAD
- - - - - EXISTING PIPELINE
- - - - - PROPOSED PIPELINE



**Kerr-McGee Oil & Gas Onshore LP**

**NBU #1022-10C-1**

**SECTION 10, T10S, R22E, S.L.B.&M.**

**104' FNL 2193' FWL**



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC  
MAP**

**05 17 06**  
MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 10-05-06



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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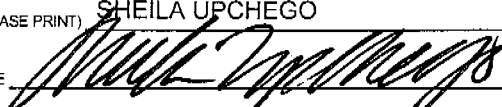
|   |  |  |
|---|--|--|
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| PHONE NUMBER:<br>(435) 781-7024   |  | 8. WELL NAME and NUMBER:<br>NBU 1022-10C-1               |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: 104'FNL, 2193'FWL   |  | 9. API NUMBER:<br>43-047-38562                           |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 10S 22E  |  | 10. FIELD AND POOL, OR WILDCAT:<br>NATURAL BUTTES        |
| COUNTY: UINTAH  |  | STATE: UTAH  |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA   |  |   |  |
|---|--|---|--|
| TYPE OF SUBMISSION  | TYPE OF ACTION   |   |  |
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|   | <input type="checkbox"/> CASING REPAIR                       | <input type="checkbox"/> NEW CONSTRUCTION                 | <input type="checkbox"/> TEMPORARILY ABANDON           |
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| <input type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>Date of work completion:<br>_____              | <input type="checkbox"/> CHANGE WELL NAME                    | <input type="checkbox"/> PLUG BACK                        | <input type="checkbox"/> WATER DISPOSAL                |
|   | <input type="checkbox"/> CHANGE WELL STATUS                  | <input type="checkbox"/> PRODUCTION (START/RESUME)        | <input type="checkbox"/> WATER SHUT-OFF                |
|   | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS      | <input type="checkbox"/> RECLAMATION OF WELL SITE         | <input type="checkbox"/> OTHER: _____                  |
|   | <input type="checkbox"/> CONVERT WELL TYPE                   | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION |  |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

AN ON-SITED WAS CONDUCTED WITH UDOGM ON OCTOBER 3, 2003, IT WAS DECIDED ON THE ON-SITE INSPECTION TO INSTALL APPROXIMATELY 2000' +/- OF 4" PIPELINE FROM THE PROPOSED PIPELINE TO AN EXISTING PIPELINE.

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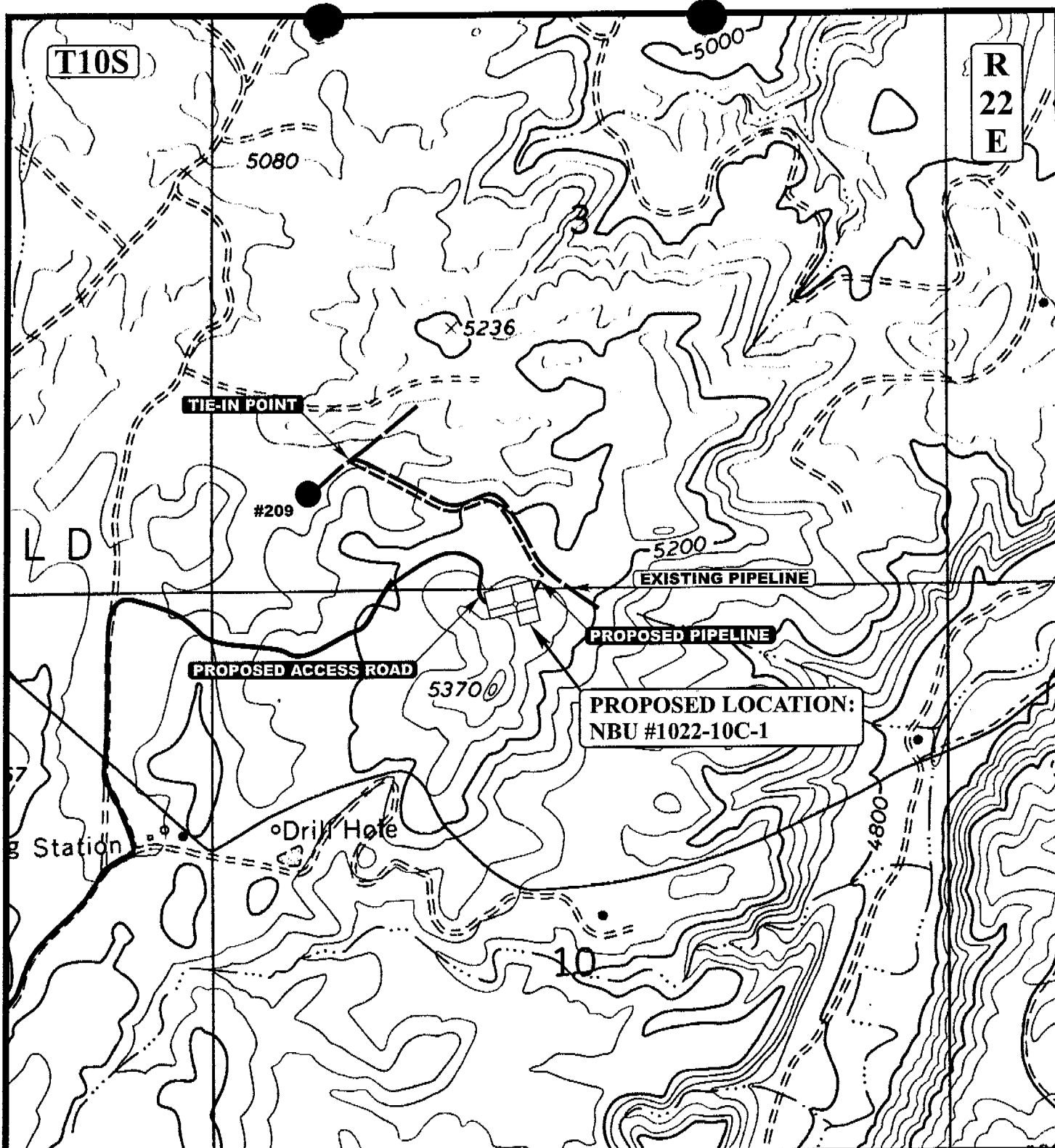
|   |                          |
|---|--------------------------|
| NAME (PLEASE PRINT) SHEILA UPCHEGO  | TITLE REGULATORY ANALYST |
| SIGNATURE  | DATE 10/11/2006          |

(This space for State use only)

RECEIVED

OCT 20 2006





APPROXIMATE TOTAL PIPELINE DISTANCE = 2,000' +/-

# LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE

Kerr-McGee Oil & Gas Onshore LP

NBU #1022-10C-1

SECTION 10, T10S, R22E, S.L.B.&M.

104' FNL 2193' FWL



Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

TOPOGRAPHIC  
MAP

05 17 06  
MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 10-05-06

D  
TOPO



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

November 2, 2006

Kerr McGee Oil & Gas Onshore LP  
1368 S 1200 E  
Vernal, UT 84078

Re: Natural Buttes Unit 1022-10C-1 Well, 104' FNL, 2193' FWL, NE NW,  
Sec. 10, T. 10 South, R. 22 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38562.

Sincerely,

A handwritten signature in black ink, appearing to read "Gil Hunt".

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Uintah County Assessor  
SITLA  
Bureau of Land Management, Vernal District Office



Operator: Kerr McGee Oil & Gas Onshore LP  
Well Name & Number Natural Buttes Unit 1022-10C-1  
API Number: 43-047-38562  
Lease: STUO-01197-ST

Location: NE NW Sec. 10 T. 10 South R. 22 East

### Conditions of Approval

1. **General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

Page 2

43-047-38562

November 2, 2006

6. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.
7. Surface casing shall be cemented to the surface.

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 6

**ENTITY ACTION FORM**Operator: KERR MCGEE OIL & GAS ONSHORE LPOperator Account Number: N 2995Address: 1388 SOUTH 1200 EASTcity VERNALstate UTzip 84078Phone Number: (435) 781-7024**Well 1**

| API Number  | Well Name             |                   | QQ        | Sec | Twp | Rng                              | County |
|---|-----------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
| 4304738562  | NBU 1022-10C-1        |                   | NENW      | 10  | 10S | 22E                              | UINTAH |
| Action Code   | Current Entity Number | New Entity Number | Spud Date |     |     | Entity Assignment Effective Date |        |
| <u>B</u>  | 99999                 | <u>2900</u>       | 1/27/2007 |     |     | <u>1/31/07</u>                   |        |
| <b>Comments:</b> <u>MIRU PETE MARTIN BUCKET RIG. WSMVD</u><br><u>SPUD WELL LOCATION ON 01/27/2007 AT 1030 HRS</u> |                       |                   |           |     |     |                                  |        |

**Well 2**

| API Number       | Well Name             |                   | QQ        | Sec | Twp | Rng                              | County |
|------------------|-----------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
|                  |                       |                   |           |     |     |                                  |        |
| Action Code      | Current Entity Number | New Entity Number | Spud Date |     |     | Entity Assignment Effective Date |        |
|                  |                       |                   |           |     |     |                                  |        |
| <b>Comments:</b> |                       |                   |           |     |     |                                  |        |

**Well 3**

| API Number       | Well Name             |                   | QQ        | Sec | Twp | Rng                              | County |
|------------------|-----------------------|-------------------|-----------|-----|-----|----------------------------------|--------|
|                  |                       |                   |           |     |     |                                  |        |
| Action Code      | Current Entity Number | New Entity Number | Spud Date |     |     | Entity Assignment Effective Date |        |
|                  |                       |                   |           |     |     |                                  |        |
| <b>Comments:</b> |                       |                   |           |     |     |                                  |        |

**ACTION CODES:**

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

|                               |                               |
|-------------------------------|-------------------------------|
| To: <u>EARLENE RUSSELL</u>    | From: <u>SHEILA UPCHEGO</u>   |
| Co./Dept. <u>LAND</u>         | Co. <u>KMG</u>                |
| Phone # <u>(801) 538-5530</u> | Phone # <u>(435) 781-7024</u> |
| Fax # <u>(801) 354-2940</u>   | Fax # <u>(435) 781-7094</u>   |

SHEILA UPCHEGO

Name (Please Print)

Signature

SENIOR LAND SPECIALIST

Title

1/29/2007

Date

**RECEIVED****JAN 29 2007**

DIV. OF OIL, GAS &amp; MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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|   |  |  |
|---|--|--|
| 1. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br>STUO-01197-ST |
| 2. NAME OF OPERATOR:<br>KERR MCGEE OIL & GAS ONSHORE LP   |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:                    |
| 3. ADDRESS OF OPERATOR:<br>1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078                                |  | 7. UNIT or CA AGREEMENT NAME:<br>UNIT #891008900A        |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: 104'FNL, 2193'FWL   |  | 8. WELL NAME and NUMBER:<br>NBU 1022-10C-1               |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 10S 22E  |  | 9. API NUMBER:<br>4304738562                             |
| COUNTY: UINTAH  |  | 10. FIELD AND POOL, OR WILDCAT:<br>NATURAL BUTTES        |
| STATE: UTAH   |  |  |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA   |   |   |  |
|---|---|---|--|
| TYPE OF SUBMISSION  | TYPE OF ACTION  |   |  |
| <input type="checkbox"/> NOTICE OF INTENT<br>(Submit in Duplicate)<br>Approximate date work will start:<br>_____          | <input type="checkbox"/> ACIDIZE                        | <input type="checkbox"/> DEEPEN                           | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
|   | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> FRACTURE TREAT                   | <input type="checkbox"/> SIDETRACK TO REPAIR WELL      |
|   | <input type="checkbox"/> CASING REPAIR                  | <input type="checkbox"/> NEW CONSTRUCTION                 | <input type="checkbox"/> TEMPORARILY ABANDON           |
|   | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS       | <input type="checkbox"/> OPERATOR CHANGE                  | <input type="checkbox"/> TUBING REPAIR                 |
|   | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> PLUG AND ABANDON                 | <input type="checkbox"/> VENT OR FLARE                 |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>Date of work completion:<br>_____ | <input type="checkbox"/> CHANGE WELL NAME               | <input type="checkbox"/> PLUG BACK                        | <input type="checkbox"/> WATER DISPOSAL                |
|   | <input type="checkbox"/> CHANGE WELL STATUS             | <input type="checkbox"/> PRODUCTION (START/RESUME)        | <input type="checkbox"/> WATER SHUT-OFF                |
|   | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE         | <input checked="" type="checkbox"/> OTHER: WELL SPUD   |
|   | <input type="checkbox"/> CONVERT WELL TYPE              | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION |  |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

MIRU PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX.

SPUD WELL LOCATION ON 01/27/2007 AT 1030 HRS

|   |                                    |
|---|------------------------------------|
| NAME (PLEASE PRINT) SHEILA UPCHEGO  | TITLE SENIOR LAND ADMIN SPECIALIST |
| SIGNATURE  | DATE 1/29/2007                     |

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JAN 31 2007

DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.


|   |  |  |
|---|--|--|
| 1. TYPE OF WELL<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ |  | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br>STUO-01197-ST |
| 2. NAME OF OPERATOR:<br>KERR MCGEE OIL & GAS ONSHORE LP   |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:                    |
| 3. ADDRESS OF OPERATOR:<br>1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078                                |  | 7. UNIT or CA AGREEMENT NAME:<br>UNIT #891008900A        |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: 104'FNL, 2193'FWL   |  | 8. WELL NAME and NUMBER:<br>NBU 1022-10C-1               |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 10S 22E  |  | 9. API NUMBER:<br>4304738562                             |
| COUNTY: UINTAH  |  | 10. FIELD AND POOL, OR WILDCAT:<br>NATURAL BUTTES        |
| STATE: UTAH   |  |  |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA   |   |  |  |
|---|---|--|--|
| TYPE OF SUBMISSION  | TYPE OF ACTION  |  |  |
| <input type="checkbox"/> NOTICE OF INTENT<br>(Submit in Duplicate)<br>Approximate date work will start:<br>_____          | <input type="checkbox"/> ACIDIZE<br><input type="checkbox"/> ALTER CASING<br><input type="checkbox"/> CASING REPAIR<br><input type="checkbox"/> CHANGE TO PREVIOUS PLANS<br><input type="checkbox"/> CHANGE TUBING<br><input type="checkbox"/> CHANGE WELL NAME<br><input type="checkbox"/> CHANGE WELL STATUS<br><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS<br><input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> DEEPEN<br><input type="checkbox"/> FRACTURE TREAT<br><input type="checkbox"/> NEW CONSTRUCTION<br><input type="checkbox"/> OPERATOR CHANGE<br><input type="checkbox"/> PLUG AND ABANDON<br><input type="checkbox"/> PLUG BACK<br><input type="checkbox"/> PRODUCTION (START/RESUME)<br><input type="checkbox"/> RECLAMATION OF WELL SITE<br><input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | <input type="checkbox"/> REPERFORATE CURRENT FORMATION<br><input type="checkbox"/> SIDETRACK TO REPAIR WELL<br><input type="checkbox"/> TEMPORARILY ABANDON<br><input type="checkbox"/> TUBING REPAIR<br><input type="checkbox"/> VENT OR FLARE<br><input type="checkbox"/> WATER DISPOSAL<br><input type="checkbox"/> WATER SHUT-OFF<br><input checked="" type="checkbox"/> OTHER: SET SURFACE CSG. |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>Date of work completion:<br>_____ |   |  |  |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

MIRU BILL MARTIN AIR RIG ON 01/29/2007. DRILLED 12 1/4" SURFACE HOLE TO 2190'. RAN 9 5/8" 32.3# H-40 SURFACE CSG. LEAD CMT W/225 SX PREM CLASS G @15.8 PPG 1.15 YIELD. TOP OUT W/100 SX PREM CLASS G @15.8 PPG 1.15 YIELD. 2ND TOP OUT W/325 SX PREM CLASS G @15.8 PPG 1.15 YIELD. CMT TO SUFACE HOLE STAYED FULL.

WORT.

|   |                                    |
|---|------------------------------------|
| NAME (PLEASE PRINT) SHEILA UPCHEGO  | TITLE SENIOR LAND ADMIN SPECIALIST |
| SIGNATURE  | DATE 2/1/2007                      |

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STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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5. LEASE DESIGNATION AND SERIAL NUMBER:

STUO-01197-ST

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

UNIT #891008900A

8. WELL NAME and NUMBER:

NBU 1022-10C-1

9. API NUMBER:

4304738562

10. FIELD AND POOL, OR WILDCAT:

NATURAL BUTTES

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER \_\_\_\_\_

2. NAME OF OPERATOR:

KERR MCGEE OIL & GAS ONSHORE LP

3. ADDRESS OF OPERATOR:

1368 SOUTH 1200 EAST

CITY

VERNAL

STATE

UT

ZIP

84078

PHONE NUMBER:

(435) 781-7024

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 104'FNL, 2193'FWL

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 10S 22E

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ NOTICE OF INTENT  
(Submit in Duplicate)

Approximate date work will start:

☒ SUBSEQUENT REPORT  
(Submit Original Form Only)

Date of work completion:

TYPE OF ACTION

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☐ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☒ OTHER: FINAL DRILLING  
OPERATIONS

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

FINISHED DRILLING FROM 2190' TO 8860' ON 02/14/2007. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/335 SX PREM LITE II @11.0 PPG 3.38 YIELD. TAILED CMT W/1125 SX 50/50 POZ @14.3 PPG 1.31 YIELD. NIPPLE DOWN SET CSG SLIPS CUT OFF CSG CLEAN PITS.

RELEASE ENSIGN RIG 12 ON 02/16/2007 AT 0600 HRS

NAME (PLEASE PRINT)

SHEILA UPCHEGO

TITLE

SENIOR LAND ADMIN SPECIALIST

SIGNATURE

*Sheila Upchego*

DATE

2/21/2007

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FEB 28 2007

DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
KERR MCGEE OIL & GAS ONSHORE LP

3. ADDRESS OF OPERATOR:  
1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078

PHONE NUMBER:  
(435) 781-7024

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 104'FNL, 2193'FWL

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 10S 22E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION  | TYPE OF ACTION  |   |  |
|---|---|---|--|
| <input type="checkbox"/> NOTICE OF INTENT<br>(Submit in Duplicate)<br>Approximate date work will start:<br>_____          | <input type="checkbox"/> ACIDIZE                        | <input type="checkbox"/> DEEPEN                           | <input type="checkbox"/> REPERFORATE CURRENT FORMATION       |
|   | <input type="checkbox"/> ALTER CASING                   | <input type="checkbox"/> FRACTURE TREAT                   | <input type="checkbox"/> SIDETRACK TO REPAIR WELL            |
|   | <input type="checkbox"/> CASING REPAIR                  | <input type="checkbox"/> NEW CONSTRUCTION                 | <input type="checkbox"/> TEMPORARILY ABANDON                 |
|   | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS       | <input type="checkbox"/> OPERATOR CHANGE                  | <input type="checkbox"/> TUBING REPAIR                       |
|   | <input type="checkbox"/> CHANGE TUBING                  | <input type="checkbox"/> PLUG AND ABANDON                 | <input type="checkbox"/> VENT OR FLARE                       |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>Date of work completion:<br>_____ | <input type="checkbox"/> CHANGE WELL NAME               | <input type="checkbox"/> PLUG BACK                        | <input type="checkbox"/> WATER DISPOSAL                      |
|   | <input type="checkbox"/> CHANGE WELL STATUS             | <input type="checkbox"/> PRODUCTION (START/RESUME)        | <input type="checkbox"/> WATER SHUT-OFF                      |
|   | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE         | <input checked="" type="checkbox"/> OTHER: <u>PRODUCTION</u> |
|   | <input type="checkbox"/> CONVERT WELL TYPE              | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | <u>START-UP</u>  |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 03/03/2007 AT 10:00 AM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE SENIOR LAND ADMIN SPECIALIST

SIGNATURE

DATE 3/9/2007

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MAR 14 2007

DIV. OF OIL, GAS & MINING



Anadarko Petroleum Corporation  
1368 S. 1200 East  
Vernal, UT 84078

## CHRONOLOGICAL WELL HISTORY

### NBU 1022-10C-1

NENW, SEC. 10, T10S, R22E  
UINTAH COUNTY, UT

| DATE     | Activity   | Status         |
|----------|--|----------------|
| 01/02/07 | LOCATION STARTED   | Caza 12        |
| 01/26/07 | LOCATION COMPLETE  | Caza 12 P/L IN |
| 01/27/07 | SET CONDUCTOR  | Caza 12        |
| 01/29/07 | SET AIR RIG SPUD   | Caza 12 DRLG   |
| 02/05/07 | TD: 3358' Csg. 9 5/8" @ 2140' MW: 8.3 SD: 2/4/2007 DSS: 1<br>Move rig, RURT, test BOP. P/U BHA, drill shoe, spud 2/4/07 @ 06:00, drill from 2140'-3358'<br>repair rig @ report time. |                |
| 02/06/07 | TD: 3358' Csg. 9 5/8" @ 2140' MW: 8.6 SD: 2/4/2007 DSS: 2<br>PUH to surface casing. Wait on radiator f/ Odessa. Rig on repair @ report time.   |                |
| 02/07/07 | TD: 4000' Csg. 9 5/8" @ 2140' MW: 8.7 SD: 2/4/2007 DSS: 3<br>Replace rig. TIH and drill f/ 3358'-4000'. DA @ report time.  |                |
| 02/08/07 | TD: 5050' Csg. 9 5/8" @ 2140' MW: 9.0 SD: 2/4/2007 DSS: 4<br>Drill f/ 4000'-5050'. DA @ report time.   |                |
| 02/09/07 | TD: 5930' Csg. 9 5/8" @ 2140' MW: 9.2 SD: 2/4/2007 DSS: 5<br>Drill f/ 5050'-5180'. Lost 90 bbls and pumped LCM sweeps. Drill to 5930'. DA @ report time.                             |                |
| 02/12/07 | TD: 7840' Csg. 9 5/8" @ 2140' MW: 10.5 SD: 2/4/2007 DSS: 8<br>Drill f/ 5930'-6083'. TFNB. Drill to 7840'. Prep to TFNB @ report time.  |                |
| 02/13/07 | TD: 8450' Csg. 9 5/8" @ 2140' MW: 10.8 SD: 2/4/2007 DSS: 9<br>TFNB. Drill from 7840'-8450'. DA @ report time.  |                |
| 02/14/07 | TD: 8860' Csg. 9 5/8" @ 2140' MW: 11.5 SD: 2/4/2007 DSS: 10<br>Drill from 8450'-8860' TD. CCH and short trip 10 STDs. POOH and run Triple Combo @ report<br>time.                    |                |



02/15/07

TD: 8860' Csg. 9 5/8" @ 2140' MW: 11.5 SD: 2/4/2007 DSS: 11  
Run Triple Combo. RIH and CCH for casing. Lay down drill string @ report time.

02/16/07

TD: 8860' Csg. 9 5/8" @ 2140' MW: 11.5 SD: 2/4/2007 DSS: 12  
Lay down BHA. Run and cement 4 1/2" Production Casing. Release rig @ 0600 hrs 2/16/07.

02/23/07

**PU PROD TBG**

Days On Completion: 1

Remarks: 7:00 AM HSM. RU RIG & SPOT RIG EQUIPMENT. ND WELL HEAD NU BOP'S. PU 3 7/8" MILL & SUB. DRIFT & TALLEY 250 JTS OF 2 3/8" J-55 4.7# TBG. POOH W/ TBG. WINTERIZE WELL HEAD SDFWE.

02/26/07

**LOG, P.T. & PERF**

Days On Completion: 4

Remarks: 7:00 AM HSM ND BOP'S NU WELL HEAD. MIRU HALLIBURTON & CUTTERS. RIH W/ CEMENT BOND LOG TOOLS. TAG PBTD @ 8,771' CEMENT TOP @ SURFACE. GOOD BOND. MIRU B&C QUICK TEST. PRESSURE TEST CASING & BOTH FRAC VALVES TO 7,500 PSI. GOOD TEST. RDMO B&C QUICK TEST.

STG 1) RIH W/ 3 3/8" EXP GNS, 23 GRM, .36 HOLES 90 DEG PHASING. PERFORATE 8,208' - 8,212'. 16 HOLES. POOH W/ WIRE LINE. MIRU DELSCO SLICK LINE. RIH W/ DOWNHOLE GAUGES & SET @ 8,198' FOR DFIT TEST. RU HALLIBURTON PUMPER, GET A BRK DOWN OF 5,112 PSI @ 4.7 BPM. PMP 24 BBLS @ 4.7 BPM. AR 4.7 BPM AP 2,900 PSI. ISIP 2,318 PSI, 5 MIN. 2,084 PSI WINTERIZE WELL HEAD SWI SDFN

02/27/07

**FRAC**

Days On Completion: 5

Remarks: 7:00 AM HSM. POOH W/ DRIT TOOLS.

STG 1 ) RIH W/ 3 3/8" EXP GNS, 23 GRM, .36 HOLES, TOTAL 45 HOLES PERF 8,451' - 54' 4 SPF, 8,330' - 32' 4 SPF, 8,278' - 81' 3 SPF, BRK @ 4,078 PSI, @ 7.1 BPM, ISIP 2,760 PSI, FG .77 PUMP 100 BBLS @ 47.3 BPM @ 4,375 PSI, = 42 OF 45 HOLES OPEN MP 5,043 PSI, MR 49.7 BPM, AP 3,924 PSI, AR 45.6 BPM, ISIP 2,657 PSI. FG .76, NPI -103 PSI, PMP 2,387 BBLS SLK WATER, 76,300 LBS 30/50 SAND & 5,000 LBS 20/40 RESIN COATED SAND. TOTAL PROP 81,300 LBS

STG 2 ) RIH W/ 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 90 DEG PHASING SET 5K HALLIBURTON CBP @ 8,160' PERF 8,125' - 30' 4 SPF, 8,031' - 34' 4 SPF, 7,926' - 29' 4 SPF, 44 HOLES BRK @ 3,744 PSI, @ 8.0 BPM, ISIP 2,069 PSI, FG .70 PUMP 100 BBLS @ 49.0 BPM @ 3,990 PSI, = 41 OF 44 HOLES OPEN MP 5,824 PSI, MR 50.2 BPM, AP 3,925 PSI, AR 48.7 BPM, ISIP 2,322 PSI. FG .75, NPI 253 PSI, PMP 922 BBLS SLK WATER, 23,400 LBS 30/50 SAND & 5,000 LBS 20/40 RESIN COATED SAND. TOTAL PROP 28,400 LBS

STG 3) RIH W/ 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 90 & 120 DEG PHASING SET 5K HALLIBURTON CBP @ 7,864'. PERF 7,831' - 34' 4 SPF, 7,752' - 54' 3 SPF, 7,724' - 28' 3 SPF, 7,579' - 83' 4 SPF, 46 HOLES BRK @ 3,080 PSI, @ 3.5 BPM, ISIP 1,945 PSI, FG .69 PUMP 100 BBLS @ 47.1 BPM @ 4,030 PSI, = 40 OF 46 HOLES OPEN MP 5,758 PSI, MR 49.9 BPM, AP 3,669 PSI, AR 49.4 BPM, ISIP 2,322 PSI. FG .75, NPI 433 PSI, PMP 2026 BBLS SLK WATER, 72,000 LBS 30/50 SAND & 5,000 LBS 20/40 RESIN COATED SAND. TOTAL PROP 77,000 LBS

STG 4) RIH W/ 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 90 DEG PHASING SET HALLIBURTON CBP @ 7,396'. PERF 7,146' - 49' 4 SPF, 12 HOLES RIH W/ SLICK LINE W/ DOWN WHOLE GUAGES SET @ 7,136 GET A BRK @ 3.8 BPM @ 1,972 PSI. PUMP 24 BBLS @ 4.4 BPM,

ISIP 1,628 FG .67 WINTERIZE WELL SDFN

02/28/07

**FRAC**

Days On Completion: 6

Remarks: DAY 4) 5:30 AM HSM.

6:00 AM. POOH W/BOTTOM HOLE GAUGES. NO PRESSURE ON WELL @ SURFACE

STG 4) RIH W/ 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 90 & 120 DEG PHASING PERF 7,364' - 66' 3 SPF, 7,325' - 27' 3 SPF, 7,289' - 92' 4 SPF, 7,207' - 09' 4 SPF TOTAL OF 44 HOLES. WHP 0 PSI. PRESSURE TEST PUMPS & LINES TO 8,500 PSI BRK 1,972 PSI, @ 3.5 BPM, ISIP 1,628 PSI, FG .67 PMP 100 BBLS @ 51.5 BPM @ 3,950 PSI, = 40 OF 44 HOLES OPEN MP 4,967 PSI, MR 52.0 BPM, AP 3,726 PSI, AR 49.7 BPM, ISIP 2,267 PSI, FG .75 NPI 639 PSI, PMP 1,404 BBLS SLICK WATER & 44,800 LBS 30/50 SAND TAIL IN W/ 5,000 LBS 20/40 RESIN COATED SAND.

STG 5) RIH W/ 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 90 DEG PHASING SET 5K HALLIBURTON CBP @ 7,102' & PERF 7,034' - 36' 4 SPF, 8 HOLES. RIH W/ SLICK LINE SET DOWN HOLE GAUGES @ 7,024 PMP 3.6 BPM BRK @ 3,017 PSI HOLD INJECTION RATE @ 3.4 BPM FOR 24 BBLS AVG PSI 2,100 PSI. ISIP 1,904 PSI, FG .71. WAIT 6 HRS. POOH W/BOTTOM HOLE GAUGES. WHP 321 PSI RIH W/ 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 90 & 120 DEG PHASING PERF 7,070' - 72' 4 SPF, 6,980' - 82' 4 SPF, 6,926' - 28' 3 SPF, 6,898' - 6,902' 4 SPF TOTAL OF 46 HOLES. WHP 321 PSI. BRK 3,017 PSI, @ 3.6 BPM, ISIP 1,704 PSI, FG .71 PMP 100 BBLS @ 49.8 BPM @ 3,800 PSI, = 42 OF 46 HOLES OPEN MP 5,583 PSI, MR 50.7 BPM, AP 3,384 PSI, AR 50.0 BPM, ISIP 2,135 PSI, FG .75 NPI 231 PSI, PMP 1,572 BBLS SLICK WATER & 51,830 LBS 30/50 SAND TAIL IN W/ 5,000 LBS 20/40 RESIN COATED SAND.

STG 6 ) RIH W/ 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 90 DEG PHASING SET 5K HALLIBURTON CBP @ 6,801' PERF 6,767' - 6,771' 4 SPF, 16 HOLES RIH W/ SLICK LINE SET BOTTOM HOLE GUAGES @ 6,757' PUMP 4.7 BPM BRK @ 2,156 PSI. PMP 24 BBLS @ 4.7 BPM AP 1,180 PSI ISIP 985 PSI, FG .59, SWIFN.

03/01/07

**FRAC**

Days on Completion: 7

Remarks: 6:30 AM. HSM. POOH W/ BOTTOM HOLE GUAGES W/SLICK LINE.

STG 6) RIH W/ 3 3/8" EXP GUNS, 23 GRM, .36 HOLES, 90 DEG PHASING. PERF 6,476' - 6,482' 4 SPF, TOTAL OF 40 HOLES. WHP 0 PSI. BRK 2,156 PSI, @ 4.7 BPM, ISIP 1,281 PSI, FG .59, PMP 100 BBLS @ 49.5 BPM @ 3,400 PSI, = 36 OF 40 HOLES OPEN, MP 4,597 PSI, MR 50.3 BPM, AP 3,291 PSI, AR 46.8 BPM, ISIP 1,281 PSI, FG .63, NPI 296 PSI, PMP 700 BBLS SLICK WATER & 19,530 LBS 30/50 SAND, TAIL IN W/ 5,000 LBS 20/40 RESIN COATED SAND.

STG 7) RIH W/ 3 3/8" EXP GNS, 23 GRM, .36 HOLES 90 DEG PHASING, SET 5K HALLIBURTON CBP @ 5,363' PERF 4,971' - 77' 4 SPF 24 HOLES. RIH W/ BOTTOM HOLE GUAGES ON SLIK LINE SET @ 4,961'. PUMP 5.0 BPM WELL ON VACUUM. PUMP 24 BBLS SHUT DOWN. WELL ON VACUUM. WAIT 6 HRS TO PULL DOWN HOLE GAUGES. RIH W 3 3/8" EXP GNS, 23 GRM, .36 HOLES 90 DEG PHASING TOTAL 40 HOLES. PUMP 64 BBLS @ 8.5 BPM WELL FILLED @ 64 BBLS PUMPED = 4,118', AFTER PAD WAS PUMPED WE GOT A BRK FROM 4,500 PSI TO 2,000 PSI PUMPED 150 BBLS 48.5 @ 2,500 PSI = 40 OF 40 HOLES OPEN, MP 4,510 PSI, MR 49.5 BPM, AP 2,388 PSI, 48.7 BPM, ISIP 1,402 PSI, FG .71, NPI 1,402 PSI, PUMPED 803 BBLS SLICK WATER & 18,120 LBS 30/50 SAND & 5,000 LBS 20/40 RESIN COATED SAND TOTAL 23,120 LBS OF PROP. KILL PLUG) RIH W/ 5K HALLIBURTON CBP SET @ 4,920'. RDMO CUTTERS & HALLIBURTON. SWI SDFN

03/02/07

**DRILL CBP & LAND**

Days On Completion: 8

Remarks: DAY 6) HSM. ND FRAC VALVES NU BOP'S. PU 3 7/8" BIT & FAST EDDIE POBS. RIH W/000 JTS OF 2 3/8" J-55 4.7# TBG. EOT @ 0,000'. RU POWER SWIVEL & RIG PUMP.BRK CIRCULATION W/2% KCL. RIH

C/O 5' OF SANDTAG PLG 1 @ 4,920' DRL PLG IN 10 MIN. 0 PSI INCREASE RIH ZONE 1 4,971' - 5,333' ON VACUUM PUMP 150 BBLS BEFORE WE GOT RETURNS.

C/O 30' OF SANDTAG PLG 2 @ 5,363' DRL PLG IN 10 MIN. 100 PSI INCREASE RIH WELL FLOWED 10 BBLS THEN WENT ON VACUUM PUMPED 100 BBLS BEFORE GETTING RETURNS. PUMPING IN 2 BPM RETURNING 1/4 BPM.

C/O 50' OF SANDTAG PLG 3 @ 6,801' DRL PLG IN 10 MIN. 200 PSI INCREASE RIHWELL FLOWING @ 1/2 BPM

C/O 30' OF SANDTAG PLG 4 @ 7,120' DRL PLG IN 10 MIN. 100 PSI INCREASE RIHWELL FLOWING GOOD

C/O 30' OF SANDTAG PLG 5 @ 7,396' DRL PLG IN 10 MIN. 400 PSI INCREASE RIH

C/O 30' OF SANDTAG PLG 6 @ 7,864' DRL PLG IN 10 MIN. 400 PSI INCREASE RIH

C/O 30' OF SANDTAG PLG 7 @ 8,160' DRL PLG IN 10 MIN. 000 PSI INCREASE RIH

C/O TO 8,519' CIRC WELL CLEAN. RD POWER SWIVEL. LD 119 JTS.

LAND TBG W/155 JTS OF 2 3/8" J-55 TBG EOT @ 4,822.23'. A SN WASN'T RAUN IN WELL BECAUSE OF PRODUCTION LOG.ND BOP'S NU WELL HEAD DROP BALL TO SHEAR OFF BIT. BIT SHEARED OFF @ 1,250 PSI. TURN WELL OVER TO FLOW TESTERS.

|                   |                       |                  |
|-------------------|-----------------------|------------------|
| 292 JTS OUT BOUND | 9,814 BBLS TOTAL LOAD | 14.00' KB        |
| 155 JTS LANDED    | 600 BBLS RR           | .83' HANGER      |
| 137 JTS RETURNED  | 9,214 BBLS LTR        | 4,806' TUBING    |
|                   |                       | .80' POBS        |
|                   |                       | 4,822.23' LANDED |

**FLOW BACK REPORT:** CP: 2025#, TP: 1525#, 50 BWPH, 20/64 CHK, TTL BBLS FLWD: 700  
TODAYS LTR: 8514 BBLS, TTL LOAD RECD TO DATE: 700 BBLS

03/03/07

**FLOW BACK REPORT:** CP: 1950#, TP: 1700#, 10 BWPH, 20/64 CHK, TTL BBLS FLWD: 340  
TODAYS LTR: 8174 BBLS, TTL LOAD RECD TO DATE: 1040 BBLS

03/04/07

**FLOW BACK REPORT:** CP: 1900#, TP: 1650#, 10 BWPH, 20/64 CHK, TTL BBLS FLWD: 240  
TODAYS LTR: 7934 BBLS, TTL LOAD RECD TO DATE: 1280 BBLS

03/05/07

**FLOW BACK REPORT:** CP: 1800#, TP: 1550#, 10 BWPH, 20/64 CHK, TTL BBLS FLWD: 240  
TODAYS LTR: 7694 BBLS, TTL LOAD RECD TO DATE: 1520 BBLS

03/06/07

**WELL WENT ON SALES:** @ 10:00 AM, 3.2 MCF, TBG 1599/1782/201, CSG 1800/1850, 18/64 CK, 20 BBWH

**ON SALES:** 1813 MCF, 0 BC, 380 BW, TP: 1554#, CP: 1741#, 18/64 CHK, 19 HRS, LP: 218#.

03/07/07

**ON SALES:** 3155 MCF, 0 BC, 180 BW, TP: 1506#, CP: 1694#, 18/64 CHK, 24 HRS, LP: 200#.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8  
(highlight changes)

5. LEASE DESIGNATION AND SERIAL NUMBER:  
STUO-01197-ST

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER

7. UNIT or CA AGREEMENT NAME  
UNIT #891008900A

8. WELL NAME and NUMBER:  
NBU 1022-10C-1

9. API NUMBER:  
4304738562

b. TYPE OF WORK: NEW WELL ☒ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER

2. NAME OF OPERATOR:  
KERR McGEE OIL & GAS ONSHORE LP

3. ADDRESS OF OPERATOR: 1368 S 1200 E VERNAL UT 84078  
PHONE NUMBER: (435) 781-7024

10. FIELD AND POOL, OR WILDCAT  
NATURAL BUTTES

4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE: 104'FNL, 2193'FWL

11. QTR/QTR, SECTION, TOWNSHIP, RANGE,  
MERIDIAN:  
NENW 10 10S 22E

AT TOP PRODUCING INTERVAL REPORTED BELOW:

12. COUNTY  
UINTAH  
13. STATE  
UTAH

AT TOTAL DEPTH:

14. DATE SPUNDED: 1/27/2007  
15. DATE T.D. REACHED: 2/14/2007  
16. DATE COMPLETED: 3/3/2007  
ABANDONED ☐ READY TO PRODUCE ☒

17. ELEVATIONS (DF, RKB, RT, GL):  
5296'GL

18. TOTAL DEPTH: MD 8,860  
TVD  
19. PLUG BACK T.D.: MD 8,833  
TVD  
20. IF MULTIPLE COMPLETIONS, HOW MANY? \*  
21. DEPTH BRIDGE MD  
PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)

23.  
WAS WELL CORED? NO ☒ YES ☐ (Submit analysis)  
WAS DST RUN? NO ☒ YES ☐ (Submit report)  
DIRECTIONAL SURVEY? NO ☒ YES ☐ (Submit copy)

CBL-CCL-GR

24. CASING AND LINER RECORD (Report all strings set in well)

| HOLE SIZE | SIZE/GRADE | WEIGHT (#/ft.) | TOP (MD) | BOTTOM (MD) | STAGE CEMENTER DEPTH | CEMENT TYPE & NO. OF SACKS | SLURRY VOLUME (BBL) | CEMENT TOP ** | AMOUNT PULLED |
|-----------|------------|----------------|----------|-------------|----------------------|----------------------------|---------------------|---------------|---------------|
| 20"       | 14" STL    | 36.7#          |          | 40          |                      | 28                         |                     |               |               |
| 12 1/4"   | 9 5/8 H-40 | 32.3#          |          | 2,190       |                      | 650                        |                     |               |               |
| 7 7/8"    | 4 1/2 I-80 | 11.6#          |          | 8,860       |                      | 1460                       |                     |               |               |
|           |            |                |          |             |                      |                            |                     |               |               |
|           |            |                |          |             |                      |                            |                     |               |               |
|           |            |                |          |             |                      |                            |                     |               |               |
|           |            |                |          |             |                      |                            |                     |               |               |

25. TUBING RECORD

| SIZE   | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) |
|--------|----------------|-----------------|------|----------------|-----------------|------|----------------|-----------------|
| 2 3/8" | 4,822          |                 |      |                |                 |      |                |                 |

26. PRODUCING INTERVALS

| FORMATION NAME | TOP (MD) | BOTTOM (MD) | TOP (TVD) | BOTTOM (TVD) | INTERVAL (Top/Bot - MD) | SIZE | NO. HOLES | PERFORATION STATUS   |
|----------------|----------|-------------|-----------|--------------|-------------------------|------|-----------|--|
| (A) WASATCH    | 4,971    | 5,333       |           |              | 4,971 5,333             | 0.36 | 40        | Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/> |
| (B) WSTCH/MESA | 6,476    | 6,771       |           |              | 6,476 6,771             | 0.36 | 40        | Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/> |
| (C) MESAVERDE  | 6,898    | 8,454       |           |              | 6,898 8,454             | 0.36 | 225       | Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/> |
| (D)            |          |             |           |              |                         |      |           | Open <input type="checkbox"/> Squeezed <input type="checkbox"/>            |

27. PERFORATION RECORD

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

| DEPTH INTERVAL | AMOUNT AND TYPE OF MATERIAL                        |
|----------------|--|
| 4971'-5333'    | PMP 803 BBLS SLICK H2O & 23,100# 30/50 OTTOWA SD   |
| 6476'-6771'    | PMP 700 BBLS SLICK H2O & 24,500# 30/50 OTTOWA SD   |
| 6898'-8454'    | PMP 8311 BBLS SLICK H2O & 293,300# 30/50 OTTOWA SD |

29. ENCLOSED ATTACHMENTS:

☐ ELECTRICAL/MECHANICAL LOGS  
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION  
☐ GEOLOGIC REPORT  
☐ CORE ANALYSIS  
☐ DST REPORT  
☐ OTHER: \_\_\_\_\_  
☐ DIRECTIONAL SURVEY

30. WELL STATUS:

PROD

RECEIVED

MAR 21 2007

## 31. INITIAL PRODUCTION

## INTERVAL A (As shown in item #26)

|                                  |                        |                      |                             |                 |                     |                              |                          |
|----------------------------------|------------------------|----------------------|-----------------------------|-----------------|---------------------|------------------------------|--------------------------|
| DATE FIRST PRODUCED:<br>3/3/2007 | TEST DATE:<br>3/7/2007 | HOURS TESTED:<br>24  | TEST PRODUCTION<br>RATES: → | OIL – BBL:<br>0 | GAS – MCF:<br>3,155 | WATER – BBL:<br>180          | PROD. METHOD:<br>FLOWING |
| CHOKE SIZE:<br>18/64             | TBG. PRESS.<br>1,506   | CSG. PRESS.<br>1,694 | API GRAVITY                 | BTU – GAS       | GAS/OIL RATIO       | 24 HR PRODUCTION<br>RATES: → | INTERVAL STATUS:<br>PROD |

## INTERVAL B (As shown in item #26)

|                                  |                        |                      |                             |                 |                     |                              |                          |
|----------------------------------|------------------------|----------------------|-----------------------------|-----------------|---------------------|------------------------------|--------------------------|
| DATE FIRST PRODUCED:<br>3/3/2007 | TEST DATE:<br>3/7/2007 | HOURS TESTED:<br>24  | TEST PRODUCTION<br>RATES: → | OIL – BBL:<br>0 | GAS – MCF:<br>3,155 | WATER – BBL:<br>180          | PROD. METHOD:<br>FLOWING |
| CHOKE SIZE:<br>18/64             | TBG. PRESS.<br>1,506   | CSG. PRESS.<br>1,694 | API GRAVITY                 | BTU – GAS       | GAS/OIL RATIO       | 24 HR PRODUCTION<br>RATES: → | INTERVAL STATUS:<br>PROD |

## INTERVAL C (As shown in item #26)

|                                  |                        |                      |                             |                 |                     |                              |                          |
|----------------------------------|------------------------|----------------------|-----------------------------|-----------------|---------------------|------------------------------|--------------------------|
| DATE FIRST PRODUCED:<br>3/3/2007 | TEST DATE:<br>3/7/2007 | HOURS TESTED:<br>24  | TEST PRODUCTION<br>RATES: → | OIL – BBL:<br>0 | GAS – MCF:<br>3,155 | WATER – BBL:<br>180          | PROD. METHOD:<br>FLOWING |
| CHOKE SIZE:<br>18/64             | TBG. PRESS.<br>1,506   | CSG. PRESS.<br>1,694 | API GRAVITY                 | BTU – GAS       | GAS/OIL RATIO       | 24 HR PRODUCTION<br>RATES: → | INTERVAL STATUS:<br>PROD |

## INTERVAL D (As shown in item #26)

|                      |             |               |                             |            |               |                              |                  |
|----------------------|-------------|---------------|-----------------------------|------------|---------------|------------------------------|------------------|
| DATE FIRST PRODUCED: | TEST DATE:  | HOURS TESTED: | TEST PRODUCTION<br>RATES: → | OIL – BBL: | GAS – MCF:    | WATER – BBL:                 | PROD. METHOD:    |
| CHOKE SIZE:          | TBG. PRESS. | CSG. PRESS.   | API GRAVITY                 | BTU – GAS  | GAS/OIL RATIO | 24 HR PRODUCTION<br>RATES: → | INTERVAL STATUS: |

## 32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

SOLD

## 33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

| Formation                           | Top<br>(MD)             | Bottom<br>(MD) | Descriptions, Contents, etc. | Name | Top<br>(Measured Depth) |
|-------------------------------------|-------------------------|----------------|------------------------------|------|-------------------------|
| WASATCH<br>DARK CANYON<br>MESAVERDE | 4,410<br>6,757<br>6,791 | 6,757<br>6,791 |                              |      |                         |

## 34. FORMATION (Log) MARKERS:

## 35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE SENIOR LAND ADMIN SPECIALIST

SIGNATURE

DATE 3/20/2007

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

\*\* ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

|  |  |   |
|--|--|---|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  |  | <b>FORM 9</b>   |
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><br>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. |  | <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>STUO-01197-ST |
| <b>1. TYPE OF WELL</b><br>Gas Well   |  | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>                    |
| <b>2. NAME OF OPERATOR:</b><br>KERR-MCGEE OIL & GAS ONSHORE, L.P.  |  | <b>7. UNIT or CA AGREEMENT NAME:</b><br>NATURAL BUTTES          |
| <b>3. ADDRESS OF OPERATOR:</b><br>P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779  |  | <b>8. WELL NAME and NUMBER:</b><br>NBU 1022-10C-1               |
| <b>4. LOCATION OF WELL</b><br><b>FOOTAGES AT SURFACE:</b><br>0104 FNL 2193 FWL<br><b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b><br>Qtr/Qtr: NENW Section: 10 Township: 10.0S Range: 22.0E Meridian: S  |  | <b>9. API NUMBER:</b><br>43047385620000                         |
| <b>PHONE NUMBER:</b><br>720 929-6100   |  | <b>9. FIELD and POOL or WILDCAT:</b><br>NATURAL BUTTES          |
| <b>COUNTY:</b><br>UINTAH   |  | <b>STATE:</b><br>UTAH   |
| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  |  |   |
| <b>TYPE OF SUBMISSION</b>  | <b>TYPE OF ACTION</b>  |   |
| <input type="checkbox"/> NOTICE OF INTENT<br>Approximate date work will start:   | <input type="checkbox"/> ACIDIZE<br><input type="checkbox"/> CHANGE TO PREVIOUS PLANS<br><input type="checkbox"/> CHANGE WELL STATUS<br><input type="checkbox"/> DEEPEN<br><input type="checkbox"/> OPERATOR CHANGE<br><input type="checkbox"/> PRODUCTION START OR RESUME<br><input type="checkbox"/> REPERFORATE CURRENT FORMATION<br><input type="checkbox"/> TUBING REPAIR<br><input type="checkbox"/> WATER SHUTOFF<br><input type="checkbox"/> WILDCAT WELL DETERMINATION        |   |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT<br>Date of Work Completion:<br>6/30/2015   | <input type="checkbox"/> ALTER CASING<br><input type="checkbox"/> CHANGE TUBING<br><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS<br><input type="checkbox"/> FRACTURE TREAT<br><input type="checkbox"/> PLUG AND ABANDON<br><input type="checkbox"/> RECLAMATION OF WELL SITE<br><input type="checkbox"/> SIDETRACK TO REPAIR WELL<br><input type="checkbox"/> VENT OR FLARE<br><input type="checkbox"/> SI TA STATUS EXTENSION<br><input checked="" type="checkbox"/> OTHER |   |
| <input type="checkbox"/> SPUD REPORT<br>Date of Spud:  | <input type="checkbox"/> CASING REPAIR<br><input type="checkbox"/> CHANGE WELL NAME<br><input type="checkbox"/> CONVERT WELL TYPE<br><input type="checkbox"/> NEW CONSTRUCTION<br><input type="checkbox"/> PLUG BACK<br><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION<br><input type="checkbox"/> TEMPORARY ABANDON<br><input type="checkbox"/> WATER DISPOSAL<br><input type="checkbox"/> APD EXTENSION   |   |
| <input type="checkbox"/> DRILLING REPORT<br>Report Date:   | OTHER: <input type="text" value="WORKOVER"/>   |   |
| 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.<br>A WORKOVER/WELLBORE CLEANOUT HAS BEEN COMPLETED ON THE NBU 1022-10C-1, SEE THE ATTACHED OPERATIONS SUMMARY REPORT.   |  |   |
| Accepted by the<br>Utah Division of<br>Oil, Gas and Mining<br><b>FOR RECORD ONLY</b><br>July 07, 2015  |  |   |
| <b>NAME (PLEASE PRINT)</b><br>Doreen Green   | <b>PHONE NUMBER</b><br>435 781-9758  | <b>TITLE</b><br>Regulatory Analyst II                           |
| <b>SIGNATURE</b><br>N/A  | <b>DATE</b><br>7/2/2015  |   |

**US ROCKIES REGION**  
**Operation Summary Report**

| Well: NBU 1022-10C-1                                   |                   |                  |       | Spud date: 2/4/2007   |             |     |                     |   |  |
|--|-------------------|------------------|-------|-----------------------|-------------|-----|---------------------|---|--|
| Project: UTAH-UINTAH                                   |                   |                  |       | Site: NBU 1022-10C-1  |             |     |                     | Rig name no.: MILES-GRAY 1/1  |  |
| Event: WELL WORK EXPENSE                               |                   |                  |       | Start date: 6/18/2015 |             |     | End date: 6/22/2015 |   |  |
| Active datum: RKB @5,306.99usft (above Mean Sea Level) |                   |                  |       | UWI: NBU 1022-10C-1   |             |     |                     |   |  |
| Date   | Time<br>Start-End | Duration<br>(hr) | Phase | Code                  | Sub<br>Code | P/U | MD from<br>(usft)   | Operation   |  |
| 6/16/2015  | 7:00 - 12:00      | 5.00             | MAINT | 35                    |             | P   |                     | Travel to location, Inspect and service truck, Re string, Rig up on well head RIH with JDC to 7190', Latch Spring, Jar for 5 Min, POOH with Spring, RIH with JDC to 7191', Latch tubing stop, Jar for 5 min, POOH with tubing stop, RIH with bind box to TD @ 7438', POOH Rig down off well head, Move to next location.  |  |
|  | 7:00 - 17:00      | 10.00            | PROD  | 42                    | B           | P   |                     | Starting pressure TBG 180 CSG 320 PSI<br>Started swabbing & Made 10 runs<br>Fluid level was at 6800ft<br>Recovered 18bbls<br>Made 3 runs to see if scale knocker was going to trip up. I didn't trip up, so run in the hole with JDC to latch it. Left scale knocker out, swab well on, then dropped viper. Viper come up once, then second time didn't come. Rig off wellhead, travel back to shop.<br>Ending Pressure<br>Tb 114 PSI<br><br>CA 264 PSI<br>SAFETY = JSA.  |  |
| 6/18/2015  | 7:00 - 7:15       | 0.25             | MAINT | 48                    |             | P   |                     | SAFETY = JSA.   |  |
|  | 7:15 - 8:30       | 1.25             | MAINT | 30                    | A           | P   |                     | MIRU. SPOT IN ALL EQUIP. LAY PUMP LINES.  |  |
|  | 8:30 - 10:00      | 1.50             | MAINT | 30                    | F           | P   |                     | FCP & FTP = 80#. BLOW DOWN WELL TO PRODUCTION TANK. CNTRL TBG W/ 10BBLS TMAC. CNTRL CSG W/ 15BBLS TMAC. NDWH. UN-LAND TBG TO SEE IF STUCK (GOOD NOT STUCK). LAND TBG BACK ON HANGER. FUNCTION TEST BOP. NUBOP. R/U FLOOR & TBG EQUIP. UN-LAND TBG. REMOVE HANGER. INSTALL WASHINGTON RUBBER.  |  |
|  | 10:00 - 17:00     | 7.00             | MAINT | 31                    | I           | P   |                     | P/U & RIH W/ 28JTS 2-3/8" J-55 Y-BND TBNG.T/U HIGH @8339'. BOTTOM PERF @8454'. L/D 8JTS USED TO T/U. STD BACK REMAINING 20JTS USED TO T/U. MIRU SCANNERS. POOH WHILE SCANNING 239JTS 2-3/8" J-55 TBNG. SCAN RESULTS AS FOLLOWS:\n\nY-BND= 126JTS\nB-BND= 62JTS\nR-BND= 51JTS. BAD INTERVAL F- JT#187 T- JT#239. INTERNAL PITTING & VERY LIGHT EXT SCALE. JT#238 HAD PRODUCTION PERFORATIONS. JT#239 HAD A HOLE IN THE UPSET OF THE TBNG JUST ABOVE THE XN. JT 238 & JT 239 WERE BOTH PLUGGED W/ SAND. HOLE WAS @7471' K.B.\n\nRDMO SCANNERS. SPEAK W/ ENGINEERING & DECIDE C/O IS NEEDED.\n\nP/U & RIH W/ 3-7/8" MILL, BIT SUB + 184JTS 2-3/8" J-55 TBNG. LEAVE EOT @5745'.SWIFN. SDFN.LOCK RAMS.\n |  |
| 6/19/2015  | 7:00 - 7:15       | 0.25             | MAINT | 48                    |             | P   |                     | SAFETY = JSA.   |  |

**US ROCKIES REGION**  
**Operation Summary Report**

Well: NBU 1022-10C-1

Spud date: 2/4/2007

Project: UTAH-UINTAH

Site: NBU 1022-10C-1

Rig name no.: MILES-GRAY 1/1

Event: WELL WORK EXPENSE

Start date: 6/18/2015

End date: 6/22/2015

Active datum: RKB @5,306.99usft (above Mean Sea Level)

UWI: NBU 1022-10C-1

| Date      | Time<br>Start-End | Duration<br>(hr) | Phase | Code | Sub<br>Code | P/U | MD from<br>(usft) | Operation  |
|-----------|-------------------|------------------|-------|------|-------------|-----|-------------------|--|
|           | 7:15 - 10:00      | 2.75             | MAINT | 31   | I           | P   |                   | SICP & SITP= 260#. BLOW DOWN WELL TO FLOWBACK TANK. CONT RIH W/ 3-7/8" MILL, BIT SUB + 259JTS 2-3/8" J-55 TBNG.T/U @8114'. R/U POWER SWIVEL.   |
|           | 10:00 - 18:00     | 8.00             | MAINT | 31   | N           | P   |                   | MIRU N2 FOAM UNIT. BREAK CONV CIRC IN 90MIN. D/O VERY HARD SCALE 8114'- 8135', 8205'-8460', AND FALL THRU. C/O SAND F- 8470' T- 8620' W/ TOTAL OF 275JTS 2-3/8"J-55 TBNG + BHA. T/U ON OLD POBS. CIRC WELL 1HR UNTIL RETURNS CLEAN. CNTRL TBG W/ 15BBLS TMAC. R/D POWER SWIVEL. L/D 17JTS TBNG. REMOVE TSF. SWIFN. SDFN. LOCK RAMS.  |
| 6/22/2015 | 7:00 - 7:15       | 0.25             | MAINT | 48   |             | P   |                   | SAFETY = JSA.  |
|           | 7:15 - 16:00      | 8.75             | MAINT | 31   | I           | P   |                   | SICP= 300#. SITP= 200#. BLOW DOWN WELL TO FLOWBACK TANK. DID NOT PUMP TMAC. POOH WHILE L/D 20MORE JTS 2-3/8" J-55 EXCESS TBNG. CONT POOH WHILE STD BACK 238JTS 2-3/8" J-55 TBNG. L/D MILL & BIT SUB. P/U & RIH W/ NEW 1.875" XN-NOTCH COMBO NIPPLE + 238JTS 2-3/8" J-55 TBNG. BROACH ALL TBNG GOOD W/ 1.910" BROACH WHILE RIH. LAND TBNG ON HANGER. R/D FLOOR & TBNG EQUIP. NDBOP. NUWH. SWI. R/D RIG. RACK OUT ALL EQUIP. PREP FOR RIG MOVE IN AM. SDFN.\n\nTBNG LANDED AS FOLLOWS:\n\nKB= 14.00\nHANGER= .83\n238JTS 2-3/8" J-55 Y-BND TBG= 7453.10\n1.875" XN-NOTCH COMBO NIPPLE = 1.05\nEOT @7468.98\n\nNOTE: CNTRL WELL AS NEEDED W/ TMAC. TWLTR= 40BBLS. |
| 6/24/2015 | 7:00 - 16:00      | 9.00             | PROD  | 42   | B           | P   |                   | Starting pressure TBG 334 CSG 289 PSI<br>Started swabbing & Made 8 runs<br>Fluid level was at 7900ft<br>Recovered 28bbbls<br>Swab well on, flow tubing to tank for 30min.<br>Dropped scale knocker for 1hour. Scale knocker didn't trip back up. Made 3 swab runs, casing dropped 90psi and plunger didn't came. Rig off wellhead, travel back to shop.<br>Ending Pressure<br>Tb 10 PSI  |
| 6/25/2015 | 7:00 - 17:00      | 10.00            | PROD  | 42   | B           | P   |                   | CA 263 PSI<br>Starting pressure TBG 90 CSG 310 PSI<br>Started swabbing & Made 14 runs<br>Fluid level was at 7100ft<br>Recovered 20bbbls<br>Got well to flow, scale knocker didn't came up. Fluid level dropped to 7300ft. flow tubing to tank for 1hour, then shut well in for the night. Rig off wellhead, travel back to shop.<br>Ending Pressure<br>Tb 10 PSI   |
|           |                   |                  |       |      |             |     |                   | CA 210 PSI   |



## US ROCKIES REGION

## Operation Summary Report

Well: NBU 1022-10C-1

Spud date: 2/4/2007

Project: UTAH-UINTAH

Site: NBU 1022-10C-1

Rig name no.: MILES-GRAY 1/1

Event: WELL WORK EXPENSE

Start date: 6/18/2015

End date: 6/22/2015

Active datum: RKB @5,306.99usft (above Mean Sea Level)

UWI: NBU 1022-10C-1

| Date      | Time<br>Start-End | Duration<br>(hr) | Phase | Code | Sub<br>Code | P/U | MD from<br>(usft) | Operation   |
|-----------|-------------------|------------------|-------|------|-------------|-----|-------------------|---|
| 6/27/2015 | 7:00 - 17:00      | 10.00            | PROD  | 42   | B           | P   |                   | Starting pressure<br>Tb 200 PSI<br>CA 330 PSI<br>0Started swabbing, made 6 runs.<br>Fluid level was at 6000'<br>Recovered 18 bbl.<br>Swabbed well back on, plunger finally come, tripped<br>plunger 3 times on the last trip the plunger came up<br>on 19 minutes being the best time out of the 3 trips.<br>And also had better pressures. Left well back on<br>sales and headed back to the shop<br>Ending Pressure<br>Tb 220 PSI<br>CA 310 PSI |
| 6/29/2015 | 7:00 - 11:00      | 4.00             | MAINT | 35   |             | P   |                   | Drove to loc. Rigged up. Let plunger come up on its<br>own. RIH w/Sample Baler to TD, POOH. Droppen in<br>new spring and plunger and chased w/1.906<br>Broach to seat. Viper plunger measures 1.890 on<br>top and same on bottom.<br>FLUID LEVEL 3700 SEAT NIPPLE DEPTH<br>7485<br>SN TYPE X TD (Max Depth) 8644  |
| 6/30/2015 | 7:00 - 15:00      | 8.00             | PROD  | 42   |             | P   |                   | Swab well on, flow tubing to tank for 45min. Check<br>plunger, then dropped. Tripped plunger twice. Well<br>was having late arrivals, because of high line<br>pressure. Rig off wellhead, travel back to shop.  |